

*FY 1999- 2000 Department of State Performance Plan
National Interests*

U.S. NATIONAL INTERESTS INTRODUCTION

The world environment is filled with contradictions and competing needs. We are largely at peace yet we continue to face many crises. As economic, social, political, and technological forces transform our world, the challenges and opportunities facing the United States and our allies are numerous and complex.

The communications revolution requires us to deal daily with far-flung crises with “real time” policy. World press reporting has increasingly shaped our workload and our perspective. We are pulled inexorably to a short-term perspective. We must, however, continue to focus on the critical issues that are long-term in nature. These include challenges that transcend territorial borders: environmental degradation and global warming; economic crises caused by rapid fluctuations in foreign currencies; transnational organized crime and problems such as drug trafficking and violence which threaten communities across our nation; and protecting public health from threats posed by new infectious diseases. Progress in resolving long-term issues will help to prevent the emergence of short-term crises. The International Affairs Strategic Plan, the State Strategic Plan, and this Performance Plan are all part of our attempt to do this.

Our foreign policy is driven by the seven national interests articulated in our Strategic Plans:

- *National Security*
- *Economic Prosperity*
- *American Citizens and Border Security*
- *Law Enforcement*
- *Democracy*
- *Humanitarian Response*
- *Global Issues*

These national interests are interrelated and mutually reinforcing. Peace is the parent of prosperity. Nations with free markets are generally more secure and more likely to share our values. Democratic states are less likely to threaten our security interests – or those of other nations – and are more inclined to support free trade and sustainable development. Nations cooperating for their mutual security are more likely to deal effectively with our common interests in maintaining our global environment.

America’s future is tied to the future of the world as a whole. Like it or not, events beyond our borders directly affect our security, prosperity, and well-being. The distinction between domestic and foreign policies has eroded. Almost every major international issue today has a domestic consequence, more visible and direct than ever before. Gone are the days when the economy could be dealt with as a part of domestic policy. Exports create one third of new jobs in the United States and drive our economic

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growth. Our well-being is intimately tied to our global relationships and to our ability to open markets. We have inter-linked investments – currency instability in Brazil is felt immediately by pensioners in Dubuque.

Almost every major domestic issue has an international component. Our stolen cars end up in El Salvador, Guatemala, or Poland. Illicit drugs come from Peru, Pakistan, or Burma, and transit almost anywhere. Crime cartels spread tentacles from Nigeria, Russia, or Colombia. Today it is inconceivable to consider a coordinated attack on crime without working a part of the strategy in the international arena.

The erosion of the lines between domestic and foreign policy requires State to work more closely than ever before with other U.S.G. agencies, including those traditionally considered “domestic” such as Justice. Other groups like non-governmental organizations are becoming more active players in the international arena, making it more important for State to engage them in policy issues.

Our Strategic Plan seeks to address this changed world environment through our 16 Strategic Goals:

- *Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.*
- *Eliminate the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional arms.*
- *Open foreign markets to free the flow of goods, services, and capital.*
- *Expand U.S. exports to \$1.2 trillion early in the 21st century. (Note: this replaces the 1997 formulation Expand U.S. exports to \$1.2 trillion by 2000.)*
- *Increase global economic growth.*
- *Promote broad-based economic growth in developing and transitional economies.*
- *Enhance the ability of American citizens to travel and live abroad securely.*
- *Control how immigrants and non-immigrants enter and remain in the United States.*
- *Minimize the impact of international crime on the United States and its citizens.*
- *Reduce significantly from 1997 levels the entry of illegal drugs into the United States.*

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- *Reduce international terrorist attacks, especially against the United States and its citizens.*
- *Increase foreign government adherence to democratic practices and respect for human rights.*
- *Prevent or minimize the human costs of conflict and natural disasters.*
- *Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.*
- *Stabilize world population growth.*
- *Protect human health and reduce the spread of infectious diseases.*

NATIONAL INTEREST: NATIONAL SECURITY

OVERVIEW

As established in the President's National Security Strategy, U.S. national security, based on diplomatic leadership, a strong military, and effective intelligence, is a prerequisite to achieving all other U.S. international goals. Traditional defensive alliances and state-to-state relations remain priorities. Defense of U.S. interests, however, may compel action to prevent, manage, and resolve ethnic conflicts, territorial disputes, civil wars, and destabilizing humanitarian disasters anywhere on the globe. A collective response with other nations can be less costly to the United States and more effective, but the United States must be prepared to act unilaterally if necessary.

The United States faces challenges to its security that have become more visible since the end of the Cold War and the dissolution of the Soviet Union. While the threat of large scale nuclear, chemical, and biological war has greatly diminished, the threat from weapons of mass destruction and their delivery systems remains very real. The United States continues to be threatened by regional instabilities and the spread of weapons and military technology. Reducing the threat of weapons of mass destruction remains a central focus of U.S. security policy. Regional strife will be a major concern, often involving irregular forces rather than organized military actions under the control of coherent and deliberative governments. Advanced conventional weapons permit rogue states and small and irregular forces to pose a new kind of threat to U.S. interests. The threat of new technologies in such hands is very dangerous, and modern information technology will expand this dimension dramatically.

While every regional security threat must be dealt with in its local context, each has implications for global security. State's role is to maintain that global focus, as we work locally to resolve security problems. State helps to coordinate inter-agency policy for national security issues and carries out diplomatic and foreign affairs activities that put policy into practice. State manages alliance relationships and coordinates inter-agency policy on peacekeeping operations.

GOALS

Over the next two fiscal years, State will continue to focus on the following strategic goals:

- *Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.*
- *Eliminate the threat to the United States and its allies from weapons of mass destruction and destabilizing conventional arms.*

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STRATEGY

In recent years, the risk of strategic nuclear war has declined significantly and our focus in arms control has shifted accordingly. While our efforts to eliminate large numbers of nuclear weapons and fissionable materials continue, we are also negotiating on both reducing delivery systems and dealing with the disposition and production of materials for nuclear weapons. State will work closely with Defense, Energy, and the intelligence and law enforcement communities to achieve these goals. State has the lead role in formulating, coordinating and carrying out arms control policies, and the preparation and management of U.S. participation in negotiations. With State, Defense shares responsibility for formulating policy related to strategic offensive and defensive forces, theater nuclear matters and capabilities, European conventional defense, and the relationship between strategic and theater force planning and budgets. Commerce along with State, Defense and Energy has responsibility for licensing U.S. exports of nuclear material and equipment ensuring that such exports comply with U.S. export nonproliferation laws and policy.

Closely linked to arms control is the effort to prevent the proliferation of weapons of mass destruction and their delivery means and, in the case of chemical and biological weapons, to eliminate them altogether. Our efforts are directed toward four components of the international nuclear nonproliferation regime: (1) international treaties, (2) international organizations like the International Atomic Energy Agency (IAEA) and the Organization for the Prohibition of Chemical Weapons, (3) multilateral nonproliferation regimes, and (4) bilateral nonproliferation efforts. We will continue to use various tools, including interdiction, sanctions and export controls, to promote responsible international nonproliferation behavior. State has the lead for nonproliferation policy, supported by Defense, Commerce, Energy, the Intelligence Community and U.S. Customs.

State plays a key role in preserving and advancing the national security, but our ability to accomplish this depends heavily on the degree to which Congress and the American people understand and support our efforts. Clear, direct, and prompt response to Congressional, press, and public inquiries is essential, but by itself inadequate. It is also necessary that we routinely take the initiative to explain: what our strategic goals are; how actions we are taking will advance those goals; and what resources and support we need to protect and advance U.S. security interests.

Our ability to protect U.S. national security interests is enhanced by collaborative bilateral and multilateral diplomatic and military relationships with foreign governments, in close coordination with our colleagues elsewhere in the U.S. Government. A prime example of this is the U.S. Humanitarian Demining Program which contributes to U.S. national security by helping individual mine-affected nations develop their own capabilities to remove landmines that hamper economic development, obstruct emergency assistance, prevent the return of refugees and internally displaced persons and retard the general reconstruction/reconciliation process.

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In Europe, our “Triple Crown” strategy integrates the tremendous resources of the North Atlantic Treaty Organization (NATO), the U.S.-European Union (EU) relationship, and the Organization for Security and Cooperation in Europe (OSCE) in a process designed to promote security, prosperity and democracy throughout Europe. We will use the 1999 NATO, U.S.-EU and OSCE summits to chart a 21st century course in which Europe can count on America, and America can count on Europe. In Central and Eastern Europe, we are engaging the governments of the region one-on-one to discuss the regional security environment and their respective security requirements. This tailored approach is necessary, given the varying regional security situations from country to country. These include: (1) the constructive efforts of the Czech Republic, Poland, and Hungary, in the midst of a currently relatively benign security environment in North Central Europe, undertaking the responsibilities of NATO membership, (2) the instability in the Balkans that has been particularly evident in Kosovo and Bosnia over the past several years, and (3) managing the potentially challenging effects to regional security of the Russian financial crisis on the Newly Independent States (NIS), among other challenges in the NIS.

U.S. engagement in East Asia has been a key factor in preserving stability in the region. Even after the end of the Cold War, most countries see the United States as an honest broker, whose presence helps prevent the outbreak of serious regional conflicts. The United States maintains five bilateral alliances, with the Japan relationship the cornerstone, has access arrangements with several other countries, and is moving toward a constructive strategic partnership with China. The United States deploys about 100,000 troops in the region and will continue to do so for the foreseeable future. The Korean peninsula is the key flash point; the United States is engaging in a number of efforts to advance our nonproliferation goals and to conclude a lasting peace. Other regional disputes, such as conflicting territorial claims in the South China Sea, also threaten peace. It is also in the interest of the United States and countries in the region to assure freedom of navigation through strategic straits.

In Latin America, we are working with the defense and military leaders of the new civilian governments to support consolidation of democracy and civilian control of the military. U.S. leadership has been indispensable in securing regional military cooperation through both traditional bilateral and aggressive multilateral efforts. U.S. policies now seek to provide training and equipment to build the professionalism and capacity of the region’s militaries as they begin to focus on specialized missions like peacekeeping, demining and disaster assistance. State will vigorously promote confidence and security building measures, including a hemispheric arms acquisition transparency convention under Organization of American States (OAS) auspices. State will assist in resolving regional border disputes, including the implementation of the historic Peace Accord between Peru and Ecuador.

In the Middle East, State coordinates U.S.G. support for the United Nations Special Commission (UNSCOM) and the Multilateral Interdiction force working,

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respectively, to ferret out Iraq's weapons of mass destruction and to enforce UN economic sanctions on Iraq.

In South Asia, we will continue to press India and Pakistan to meet a number of international nonproliferation benchmarks, including non-deployment of missile delivery systems, and seek a reduction of regional tensions by persuading the parties to deal directly with each other to address the roots of conflict, including Kashmir. Resolution of the ongoing dispute between India and Pakistan, which has led to three wars in the last 50 years, almost daily exchanges of fire over the Line of Control in Kashmir, and the May 1998 testing of nuclear devices by India and Pakistan, remains a focus of U.S. efforts to strengthen South Asian stability and the international nonproliferation regime. Better relations between the two long-time adversaries could help reduce both countries' reliance on weapons of mass destruction, enable them to redirect their limited resources to social and economic development, and encourage them to crack down on groups that carry out terrorist acts in Kashmir and elsewhere. The United States supports efforts to resolve conflicts in Afghanistan and Sri Lanka. The civil war in Afghanistan has exacerbated differences among ethnic groups and opened the door for interference by outside actors, heightening the danger that antagonisms will spill over into neighboring states. The Sri Lankan conflict, involving a terrorist organization with world-wide operations, also threatens stability in South Asia.

The United States will continue to develop and strengthen African capacities to respond to regional conflicts. State will work closely with select European allies, the United Nations, and the Organization of African Unity (OAU) in developing and supporting conflict prevention and resolution capabilities on the continent. Progress with the African Crisis Response Initiative (ACRI) has been commendable. Core contributors include Senegal, Uganda, Malawi, Mali, and Ghana. Also scheduled to participate are Cote d'Ivoire and Benin. ACRI provides the building blocks for a rapidly deployable African peacekeeping capability. State will continue to encourage the regional organizations in Africa to provide the leadership and structure necessary to employ these ACRI trained units in times of crisis. State will encourage the regional organizations to accept responsibility for peacekeeping operations and conflict resolution in their areas. State will also encourage complementary unilateral peacekeeping initiatives by the French, British, and Danes; and work to integrate French, Belgian, and Portuguese participation into select aspects of our ACRI initiative at the request of host countries.

AREAS OF FOCUS IN FY 1999 AND FY 2000

EUROPE

- North Atlantic Treaty Organization (NATO)

We will maintain a stable security environment in Europe by strengthening NATO through the addition of new members and internal adaptation, and enhancing the Partnership for Peace and the Euro-Atlantic Partnership Council for those nations not

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immediately asked or applying to join the Alliance. In concert with Defense, we expect to set an ambitious road map for the Alliance's future at the 1999 NATO Summit in both a summit statement and an agreed strategic concept. We will reaffirm the Alliance's core function of collective defense, and its willingness to respond to threats to common interests. Finally, we will continue the internal adaptation of NATO, building a more capable and visible European role within the Alliance and deepening cooperation among key European and Transatlantic institutions.

- EU

The two U.S.-EU summits in 1999 provide opportunities to advance our New Transatlantic Agenda goals of deepening our economic partnership; increasing diplomatic cooperation; jointly addressing global issues; and broadening people-to-people links. State will reinforce the U.S. commitment to a strong, effective diplomatic partnership to promote peace, stability, democracy and development around the world – particularly regarding EU financial support for the Dayton Accords, southeast European development, the Middle East Peace Process and humanitarian crises in Africa. Global issues make up a significant part of the U.S.-EU agenda, and we will together tackle challenges posing a serious threat to quality of life without respect to national boundaries. Our work will be informed by collaboration with the U.S. Trade Representative (USTR), Commerce, Treasury, Agriculture, Justice including the Drug Enforcement Agency (DEA), Transportation, Labor and the U.S. Agency for International Development (USAID).

The EU is a uniquely valuable partner in the effort to integrate the countries of Central Europe, including the Baltic States. Enlargement of the EU to include these countries, which State strongly supports, will greatly help to anchor the democratic and economic reforms that they are currently undertaking. State will assist these countries to meet membership requirements through the Support for Eastern European Democracy (SEED) program and by promoting regional trade and cooperative arrangements.

- Organization for Security and Cooperation in Europe (OSCE)

The OSCE forms an essential element in Europe's new security structure. Commitment to democratic development, economic cooperation, security, and human rights defines the Euro-Atlantic Community that we envision. Reflecting its new status and capability, the OSCE has played an important role in implementing the peace agreement in Bosnia, and is helping to restore full democracy and political stability in Albania, and is now undertaking the Kosovo Verification Mission. OSCE is especially well qualified for conflict prevention and crisis management. State, therefore, supports a series of OSCE monitoring and observer missions, and is actively working with the OSCE to ensure that all Albanian parties offer their full cooperation to the reform process. An OSCE mission in Kosovo (Kosovo

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Verification Mission – KVM) has been established to verify compliance with UNSCR 1199.

- The Balkans

The instability in the Balkans, especially in the former Yugoslavia, has presented not only a human tragedy but also a barrier to the achievement of a stable and secure Europe. State's priorities are to continue multilateral efforts to establish a durable peace and reduce ethnic tensions in the region through the implementation of the Dayton Accords, continuation of the contributions to internal stability by SFOR (Stabilization Force- International Military Forces in Bosnia) and OSCE monitoring and UN Peacekeeping Operations, promotion of a political solution to the conflict between Serbia and Kosovo, support for reform efforts in Montenegro, and the complete restoration of democratic institutions in Albania. In the Federal Republic of Yugoslavia, we support Montenegro's political and economic reform and this republic's efforts to preserve its constitutional prerogatives from Belgrade's attempts at subjugation. Successful implementation of the Dayton Peace Accords is critical for stability in the Balkans and for our "Triple Crown" strategy for transatlantic relations.

The Kosovo crisis presents a direct threat to Euro-Atlantic security and prosperity. It challenges progress made in resolving ethnic conflict elsewhere in the former Yugoslavia and risks a humanitarian catastrophe. In Kosovo, State is actively urging all parties to cease all violence, fully comply with the demands of the UN Security Council resolutions, and participate in the negotiations for a political settlement. The United States is maintaining pressure on Belgrade to comply fully with its international obligations. At the same time, we have reiterated our clear message to the leadership of the Kosovo Liberation Army that they must not take advantage of the cease-fire and not act provocatively to instigate fighting.

- Russia and Ukraine

State will work to establish new levels of NATO cooperation with Russia and Ukraine via the NATO-Russia Founding Act and the NATO/Ukraine Charter. NATO and Russia have many common interests, including preserving the peace in Bosnia and combating the threat posed by weapons of mass destruction, and we will continue to work together in these and other areas, despite the difficulties posed by the Russian economic crisis. Ukraine plays a vital bridging role in European security, and NATO will continue to support the independence and reform efforts of Ukraine. State will also support the integration of Ukraine into Euro-Atlantic security and economic institutions.

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- Northern Ireland

The serious ethnic/religious conflict in Northern Ireland directly affects the security of our key ally, Great Britain, and also touches the United States through deep ties of kinship, culture and history. On Good Friday 1998, an historic peace agreement was reached among representatives of all the major parties. Much work remains to make the peace durable and lasting.

- Cyprus, Greece and Turkey

The potentially volatile situation in Europe's southeastern corner requires special care. We give high priority not only to our bilateral relations with the countries in this region, but also to promoting ties among them, and between them and the rest of Europe. State is committed to promoting a just and lasting settlement of the Cyprus dispute, reducing Greco-Turkish tensions that could lead to conflict, and fostering closer ties between Turkey and the EU.

- Conventional Armed Forces in Europe (CFE)

The Conventional Armed Forces in Europe (CFE) Treaty remains fundamental to European security and stability. State is committed to achieving adaptation of the treaty in a manner that both reflects changed circumstances and enhances our broader goals for building cooperation and integration in Europe.

- Strategic Arms Reduction Treaty (START)

We will continue to urge the Duma of the Russian Federation to ratify START II and its protocol, and have agreed to begin negotiations on a START III agreement immediately upon ratification of START II.

ASIA

- East Asia and Pacific

Peace and stability in East Asia are critical to the security of the United States and essential to our broader regional interests. The Korean Peninsula remains one of the world's most dangerous flash points; there are a number of unresolved territorial disputes that could threaten critical sea lanes; and historical animosities persist among China, Japan, and Korea. The United States is the "honest broker," accepted as such by virtually all states of the region. To foster stability and maintain deterrence, we have built alliance relationships with Japan, Korea, Thailand, the Philippines, and Australia, and are developing less formal security ties with Singapore, Brunei, Indonesia and Malaysia. We maintain about 100,000 military personnel in the region, a presence essential to projecting American influence, maintaining the credibility of our alliances, and protecting key sea lanes. We support multilateral fora, including

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the ASEAN Regional Forum, as complements to our bilateral alliances and as an effort to promote confidence building and transparency in the region.

- Japan

The U.S. alliance with Japan, and the host nation support that underwrites most of the costs of our 47,000 troops stationed there, anchors our regional military presence. We have made significant progress in strengthening U.S.-Japan security ties through revision of the guidelines for defense cooperation and consolidation of our bases on Okinawa in line with recommendations by the Special Action Committee on Okinawa. The United States and Japan have also agreed to research Theatre Missile defense.

- China

The United States is working toward a constructive strategic partnership with China to promote common objectives and to integrate China into the international community in a constructive manner. We seek China's support for fissile material cutoff negotiations and agreement to strengthened IAEA safeguards. The United States also urges China to strengthen its chemical controls and take the nonproliferation and export control steps necessary for China to join the Missile Technology Control Regime.

- Korean Peninsula

The United States works closely with South Korea to limit the possibility of conflict on the peninsula through a variety of channels. In addition, the United States holds talks with the North on missile proliferation. Through the Agreed Framework and the Korean Energy Development Organization (KEDO), the United States works to secure nuclear non-proliferation goals. The United States also engages in the Four Party Talks (United States, Japan, North Korea, South Korea) and supports North-South dialogue to establish a durable peace on the peninsula.

- India and Pakistan

The sine qua non for regional stability and security in South Asia is a resolution of the Indo-Pakistan dispute. The United States will continue to urge India and Pakistan to continue their serious, high-level dialogue to diminish tensions and avoid a missile and nuclear arms race. State diplomatic efforts will focus on encouraging India and Pakistan to seek creative and bold initiatives to break out of the impasse in which the two countries find themselves.

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- South Asian Association for Regional Cooperation

One of the side effects of the Indo-Pakistan conflict is a dearth of fora for effective region-wide cooperation. A recent South Asian Association for Regional Cooperation (SAARC) summit called for efforts to reinvigorate the organization, which has suffered from a limited mandate and a charter that requires consensus decision-making. State will encourage an enhanced role for SAARC by offering increased dialogue, exchange and training programs, and technical assistance.

- Afghanistan

A focus of U.S. efforts in South Asia is the resolution of civil conflict in Afghanistan. State supports the efforts of the UN Special Representative in Afghanistan to bring the warring factions to the table to establish a broadly representative government and return peace, stability, and the rule of law to the country.

MIDDLE EAST

- Arab-Israeli Peace

A comprehensive Arab-Israeli peace remains a major objective of U.S. foreign policy. We have worked actively with the Arabs and Israelis to create a mutually reinforcing structure of bilateral and multilateral negotiations that keeps up the momentum of progress despite the inevitable ups and downs along the way. Another way of maintaining peace in the Middle East is through State's continued support of the Multinational Force and Observers, the Israel-Lebanon Monitoring Group, and other UN peacekeeping operations.

- Military Assistance in the Middle East

We remain committed to protecting our friends in the Middle East directly and strengthening the ability of regional partners to withstand coercion and internal instability, to deter aggression, and -- should deterrence fail -- to contribute to a common regional defense. The modernization of friendly regional armed forces is a key element in our efforts to maintain stability in the region, accomplished through Foreign Military Financing (FMF) and Excess Defense Article (EDA) grants and sales, International Military Education and Training (IMET), and other joint military training and cooperation.

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- Israel

Every U.S. administration since President Truman's has worked to help safeguard Israel's security and well-being, and that commitment remains unshaken. Through the provision of security assistance, close cooperation with Israel on security issues, and contributions to international peacekeeping efforts, we continue to ensure Israel's qualitative edge militarily.

- Persian Gulf

The last four U.S. Presidents have identified the Persian Gulf as a region vital to our national interests and our economic prosperity at home. The United States now imports one-third of its oil from the Gulf and ten percent from Saudi Arabia alone. To help ensure access to this region's oil resources, State undertakes intensive political and diplomatic engagement and security cooperation with the member states of the Gulf Cooperation Council (GCC). We will increase defense cooperation with the GCC through agreements on basing, access, and overflight, and increase GCC participation in regional military exercises through enhanced military-to-military cooperation while enforcing U.S. nonproliferation and export control policies.

- Iran and Iraq

Iran and Iraq pose particular threats to the Gulf region's security and stability. They blatantly disregard international norms of behavior, support terrorist groups in the region and beyond, develop destabilizing weapons, and work to undermine the Middle East Peace Process. State will deter aggression by continuing arrangements for a forward military presence and full and secure access to the Persian Gulf, including access to energy resources, prepositioning, basing, and air/sea transit rights. State will provide strong support for UN Security Council Resolutions involving Iraq, and work to impede Iran and Iraq's WMD, missile, and advanced conventional weapons programs. We will maintain diplomatic oversight of the Maritime Interception Force, a group of concerned nations enforcing sanctions against Iraq, and work with nations across the world on an ad hoc coalition basis to ensure Iraq's compliance with its international obligations.

AFRICA

- Africa

Regional conflict and instability pose a significant threat to the fragile democracies and governments in transition in Africa. They place at risk our hard-won progress toward democratic governance and economic growth on the continent. Armed conflict amplifies the human suffering and creates floods of refugees seeking safety and respite for themselves and their families. Conflict also creates a demand for arms and results in a proliferation of conventional weapons which invariably spills

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over into adjoining areas. Therefore, while regional stability may not be our primary national interest in Africa, failure to address it places the programs that support our higher priority strategic goals at risk and makes them more challenging and costly to implement.

- Organization of African Unity (OAU)

The post-Cold War turmoil throughout Africa has been a factor in the increasing frequency of complex emergencies requiring international intervention. State continues to work closely with the Organization of African Unity (OAU) to sponsor early mediation and prevention efforts in support of African-led solutions to emerging problems.

INTERNATIONAL

- UN Peacekeeping

UN peacekeeping is a useful tool to meet international or regional security challenges. The United States achieves burden sharing in peacekeeping when operations are funded by the UN and sometimes avoids costs when operations are voluntarily funded in whole or part by interested countries. State is committed to improving the effectiveness of international peacekeeping, including establishing the means for flexible, graduated crisis response by regional and multilateral organizations, while building a national consensus on U.S. participation in international peacekeeping and crisis management.

- International Organizations

State fosters viable and effective international organizations that provide multilateral options for advancing U.S. interests. To accomplish that, we will promote significant reforms and seek to pay our assessments in full, and pay our outstanding obligations in the UN and other international organizations.

- United Nations Security Council

Threats to United States and international security come perhaps less from traditional big power rivalries than from the ability of states such as Iran, Iraq, North Korea, Libya, and Sudan to destabilize their neighbors, which in turn causes broader instability. The United States will continue to support coalition military operations enforcing the President's orders and directives and United Nations Security Council (UNSC) resolutions, and State will work toward maintaining international support for UNSC sanctions.

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- Weapons of Mass Destruction (WMD)

The United States seeks to limit and reduce the Cold War nuclear arsenal and other WMD worldwide and to ensure proper control of their components. State will continue a vigorous diplomacy with Russia, Ukraine, Kazakhstan, and other NIS countries to persuade them to take effective steps to prevent proliferation, including transfers to Iran or other states seeking weapons of mass destruction. State will lead U.S. efforts to strengthen multilateral nonproliferation regimes and use them to impede the supply of and demand for WMD and missile technology. State's Consequence Management Program will develop and coordinate training programs for non-military agencies of foreign governments, improving their ability to deal with the consequences of WMD incidents. State will also focus on enhancing protection, control, and accountability of fissile materials, on developing export control programs to deter WMD smuggling, on interdicting shipments of proliferation concern, on implementing proliferation sanctions laws, and on redirecting expertise and technology to civilian purposes. State will negotiate and conclude the Fissile Material Cutoff Treaty, a ban on the production of fissile material for use in nuclear weapons or other explosive devices.

- International Nonproliferation

Assisting Russia, China and many other governments to develop the capabilities to control the export and transshipment of sensitive technologies is a key and growing element of our export control efforts. State actively assists over 20 countries in developing legal regimes, regulatory infrastructure, and enforcement capabilities to ensure that arms and dual-use technologies are not available to pariah states. Those procedures also control what is exported to ensure that they are used for agreed purposes and not to stimulate regional tensions.

State will monitor compliance with arms control and nonproliferation agreements by supporting effective implementation of intrusive verification regimes. We will augment such treaties with informal multilateral nonproliferation regimes. In cases of actual or potential violations of international commitments, proliferation of WMD, transfers or development of advanced conventional or strategic weapons, State will provide timely warning. State will also work to have the IAEA enhanced safeguards regime implemented to increase the IAEA's ability to carry out its responsibilities.

State also leads the interagency effort in the Wassenaar Arrangement to prevent destabilizing build-ups of conventional arms and the dual-use technology to build them. At its first review conference in 1999, the United States will undertake a number of initiatives to fulfill the Secretary's objective of making Wassenaar "the institution where responsible nations take practical steps to prevent and address the dangers arising from irresponsible arms exports."

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STRATEGIC GOAL: *Ensure that local and regional instabilities do not threaten the security and well-being of the United States or its allies.*

OUTCOME DESIRED: Great Britain, Ireland, and Northern Ireland implement the Good Friday 1998 peace agreement.

PERFORMANCE GOAL: State will minimize factors inhibiting implementation of the peace agreement.

The long-standing conflict in Northern Ireland directly affects the security of our key ally, Great Britain, and also touches the United States through deep ties of kinship, culture, and history. In addition, it has sometimes caused friction in U.S.-U.K. relations.

STRATEGY



For 30 years the sectarian violence of “The Troubles” has disrupted the lives of the British and Irish peoples. In recent years a consensus for peace has emerged, spurred on by the United States. On Good Friday 1998 an historic peace agreement was reached among representatives of all the major parties. The people of Northern Ireland and the Irish Republic cast their ballots decisively in a May 1998 referendum in favor of the peace accord and a new political arrangement for Northern Ireland.

Much work, however, remains to make the peace durable and lasting. The new institutions created by the accord, including the Northern Ireland Assembly elected in June 1998 and the North-South Ministerial Council, have yet to become functional. The fate of the peace accord depends on these institutions becoming the vehicles through which all the parties address the issues which up to now have been addressed through violence. There remain some fringe elements willing to revive the cycle of violence. The traditional summer marching season continues to offer opportunities for those on both sides who wish to provoke confrontation, often leading to violence. The economies of Northern Ireland and the counties bordering it still suffer from problems associated with past violence: low growth, high unemployment, and a lack of foreign investment.

The United States played an indispensable role in bringing the parties together. President Clinton’s direct involvement and Senator Mitchell’s leadership in the talks that produced the peace accord were critical. The United States will continue to support the

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peace agreement. The President's visits and other high-level exchanges put the prestige of the United States behind the peace process and underscore the U.S.' commitment to a peaceful resolution of the issues that continue to divide the parties. Our ongoing dialogue with the British and Irish governments and the parties in Northern Ireland further reinforces our commitment.

Working through the International Fund for Ireland and the private sector, we will help the people seize the opportunities that peace will bring to attract new investment to create new factories, other workplaces, and jobs, and establish new centers of learning. From the enactment of the Anglo-Irish Support Act of 1986 through 1998, the United States has contributed \$287.5 million to the Fund.

In addition, the Departments of Commerce and State work with American business to intensify an already substantial economic relationship. One example of this is the high-level U.S. business delegation led by Commerce Secretary Daley to Northern Ireland in June 1998.

EXTERNAL FACTORS

- ✓ Popular sentiment against violence in Northern Ireland and the Irish Republic will continue.
- ✓ World economic conditions will not discourage economic investment in Northern Ireland and the border counties of the Irish Republic.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

State, the U.S. Embassies in London and Dublin, and the Consulate General in Belfast will make clear in public and private fora that an end to the cease-fire and a return to violence is unacceptable. One major lever we have is that prominent figures in both the unionist and nationalist camps view their ability to travel to the United States as very important. Many of them require special waivers to do so because their past activities make them ineligible under U.S. law for entry. We will continue to use the visa process to favor those who take a stand for peace, and to deny access to the United States to others who would spread a message of hate.

Decommissioning of the unionist and nationalist paramilitary groups, long an obstacle to peace, is critical to the peace accord's success. State contributes one of the three members of the Independent Commission on Decommissioning, which was established to organize the surrender and recovery of illegal paramilitary weapons within two years.

A major impediment on the path to peace is the perception that the Royal Ulster Constabulary is not even-handed in its treatment of nationalists and unionists. Under the peace accord, a Commission on Policing for Northern Ireland will make

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recommendations by the summer of 1999 on future policing arrangements. State will work with the FBI and the Commission to make the RUC more broadly acceptable without diminishing its law enforcement and counter-terrorism capabilities.

We plan to give the International Fund \$19.6 million in both FY 1999 and FY 2000. A recent project the Fund has undertaken with U.S. encouragement is the West Belfast Springvale Educational Village. Straddling the Peace Line that once divided Protestant from Catholic, Springvale will give the students of both communities the chance to acquire an education, come together in community activities, and, in so doing, encourage cohesion, community pride, and economic growth. USIA is supporting the Springvale Educational Village with its full range of educational programs including Fulbright, International Visitors, and Citizen Exchanges.

INDICATORS, BASELINES, AND TARGETS

◆ **Northern Ireland assembly.**

FY 1998 Baseline: The Northern Ireland assembly elected in June 1998 meets as an interim body without legislative and executive powers. Its operating framework, including its rules, procedures, and internal structure, remain to be determined.

FY 1999/2000 Target:

Successful: The assembly exercises continuous sovereign authority over the province, including controlling and directing the making and administration of policy.

Minimally effective: The assembly meets but sectarian differences limit its ability to govern.

Unsuccessful: The assembly breaks down after a few sessions and the United Kingdom reimposes direct rule.

Data source: Scheduled Consulate General Belfast reporting.

◆ **Other institutions created by the peace accord.**

FY 1998 Baseline: The peace accord establishes:

- North-South Ministerial Council with representatives from the Irish Republic and Northern Ireland,
- British-Irish Council with representation by the British and Irish governments, and Northern Ireland, Scotland, Wales, Isle of Man, and the Channel Islands, and
- British-Irish Intergovernmental Conference to promote bilateral cooperation.

FY 1999/FY 2000 Target:

Successful: The institutions operate as envisioned in the peace accord, i.e., they meet as scheduled with the participation of all parties and coordinate issues that fall within their scope.

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Minimally effective: The institutions are formed but political and sectarian differences limit their ability to operate.

Unsuccessful: The institutions do not carry out their mandates.

Data sources: Annual reports of the peace accord institutions; scheduled Embassy Dublin and London and Consulate General Belfast reporting.

◆ **Levels of sectarian violence.**

FY 1998 Baseline: Cease-fire in place, but dissident nationalist and unionist groups engage in terrorist violence. The marching season produces confrontations which lead to violence. Unionist and nationalist paramilitary groups retain their weapons.

FY 1999/FY 2000 Target:

Successful: Lack of support for violent splinter groups and their terrorist actions causes them to disappear. Negotiated agreements result in marches acceptable to unionists and nationalists and not requiring police intervention. The paramilitary groups demilitarize.

Minimally effective: Terrorist splinter groups maintain enough support to continue their operations while remaining unable to undo the peace accord. Police are required to prevent civil disturbances during the marching season because the parties could not reach agreement. Decommissioning is not completed on schedule.

Unsuccessful: The parties return to violence; the government is able to contain civil disturbances only with great effort; the paramilitary groups acquire new weapons.

Data source: Scheduled Consulate General Belfast reporting.

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STRATEGIC GOAL: *Eliminate the threat to the United States and its allies from weapons of mass destruction (WMD) and destabilizing conventional arms.*

OUTCOME DESIRED: Russia and other NIS countries do not contribute to the proliferation of WMD materials, weapons expertise, technologies, or delivery systems.

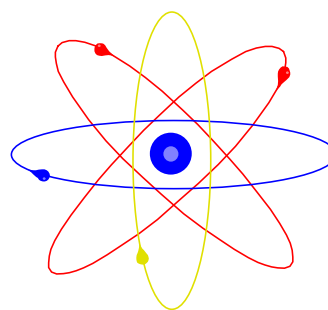
PERFORMANCE GOAL: State will negotiate and implement with Russia and the other NIS countries the framework of treaties, agreements, and controls that will enable them to prevent WMD proliferation.

One of the residual issues from the Cold War is Russia's possession of nuclear and other WMD, and the increasing threat of WMD proliferation from or through other states of the former Soviet Union. We seek to reduce and where possible eliminate threats from the nuclear arsenal and other WMD in the NIS countries, to ensure proper control of their components, and to prevent or minimize the spread of such weapons, weapons materials, technologies, expertise, or delivery systems to other parts of the world, including pariah states such as Iran, Iraq, and Libya, and international terrorists.

STRATEGY

With the demise of the Soviet Union and the end of the Cold War, the level of threat posed by its nuclear and other WMD stockpiles was reduced significantly. Nevertheless, political, social, and economic upheaval heightens prospects that the former Soviet republics will not be able to provide for the safe disposition of these weapons. The dangers posed by this situation are clear: diversion or unauthorized use of weapons, diversion of fissile materials, and possible participation of Soviet weapons scientists in proliferation efforts in other countries.

We will continue a vigorous diplomacy with Russia, Ukraine, Kazakhstan, and other NIS countries to persuade them to take effective steps to prevent proliferation, including ending leaks to Iran's WMD programs. We will build on an existing web of international agreements aimed at preventing threats of WMD proliferation (Missile Technology Control Regime [MCTR], Comprehensive Test Ban Treaty [CTBT], Australia Group, Chemical Weapons Convention [CWC], Biological Weapons Convention



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[BWC], Wassenaar Arrangement, etc.). This will require concerted diplomatic and cooperative assistance efforts to convince Russia and the other NIS countries that compliance with and effective enforcement of these agreements is in their own best interests and outweighs any possible short-term commercial gain.

Our assistance programs will remain critical components in a system of concentric rings of proliferation prevention. Defense's Cooperative Threat Reduction Program ("Nunn-Lugar") and other assistance and cooperative programs help Russia and other NIS countries destroy weapons and related infrastructure and equipment under existing and future arms control agreements. Energy experts assist in safely securing nuclear material. Energy laboratory-to-laboratory cooperation and Department of State science centers and other scientific cooperation keep former Soviet weapons experts constructively employed in civilian research. A variety of U.S.-sponsored law enforcement export control programs strengthen border security, customs enforcement, and other functions that will help the NIS countries avoid being used as conduits for smuggled weapons and technology transfers. Finally, Non-Proliferation and Disarmament Funds provide a safety net to catch urgent, unanticipated requirements that have, or could, slip through the prevention net of other programs.

EXTERNAL FACTORS

- ✓ Financial difficulties and weak legal infrastructure make Russia ineffective at times in fully enforcing agreements. The same pressures make it difficult for Russian and other NIS leaders to argue against sales to countries such as Iran, Libya, Iraq, and North Korea.
- ✓ Russia and the United States will continue to recognize the importance of cooperation in this area, but a long history of mutual distrust and competing geo-political interests will make progress slow at times.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

All of the former Soviet Union's nuclear weapons are now in Russia. State and the U.S. Embassy in Moscow, working with Defense, will continue negotiations with Russia to end the threat they pose.

We will continue to urge Russia at every opportunity and at every level to ratify START II. START II builds on the foundation of START I to create an equitable and effectively verifiable agreement that reduces the number of strategic delivery vehicles (ballistic missiles and heavy bombers) and the number of warheads deployed on them.

In FY 1999/2000, we expect to complete START III negotiations and to reach agreement on Anti-Ballistic Missile/Theater Missile Defense (ABM/TMD) demarcation. START III will cap strategic nuclear warheads at 2,000-2,500, a cut of 80% from the highest levels of the Cold War, provide transparency of nuclear inventory, and assure the

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irreversibility of warhead destruction. ABM/TMD demarcation will ensure the viability of the ABM Treaty, which has been a cornerstone of strategic stability for over 25 years, by clarifying the line between strategic and theater ballistic missile defenses.

An important element of our policy is to prevent the proliferation of WMD materials, weapons expertise, technologies, or delivery systems. State and U.S. Embassies in the region will work with Energy to expand the Materials Protection, Controls and Accountability (MCP&A) program to other NIS countries. This program reduces the threat of nuclear proliferation by strengthening security at all sites that contain plutonium and highly enriched uranium, essential ingredients of nuclear weapons.

We will work with Defense to assist NIS countries to adopt and enforce export control programs and stronger border controls. Our aim is to have these countries develop export control laws and regulations that are as tough and effective as the best in the world, in order to stop leaks of sensitive technology and materials.

Destroying the world's stockpiles of chemical weapons is another challenge. State and Defense and Embassies in the region will work with Russia and other NIS countries to implement the Chemical Weapons Convention. Under the Cooperative Threat Reduction Program, we are developing projects to eliminate Russia's chemical weapons production capacity and 14% of its chemical weapons stockpile.

INDICATORS, BASELINES, AND TARGETS

◆ **Export controls governing WMD materials, weapons expertise, technologies, and delivery systems.**

FY 1998 Baseline: Of the 12 NIS countries, five have export controls and three enforce export controls.

FY 1999 Target: A majority of NIS countries have export controls in place.

FY 2000 Target: All NIS countries have export controls in place, and a majority enforce them.

Data source: Scheduled U.S. Embassies' reporting and analysis.

◆ **Status of START II, START III, ABM/TMD, and CWC.**

FY 1998 Baseline: Russia has not ratified START II; Russia ratified CWC in December 1997, but other NIS countries have not; START III and ABM/TMD negotiations are not yet underway.

FY 1999 Target: Russia ratifies START II; negotiations on START III are underway.

FY 2000 Target: START III is signed; U.S. and Russia reach agreement on ABM/TMD demarcation; two additional NIS countries ratify CWC.

Data source: Scheduled U.S. Embassies' reporting and analysis.

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NATIONAL INTEREST: ECONOMIC PROSPERITY

OVERVIEW

State has operational responsibilities for a broad spectrum of economic issues, both global and regional, and interacts with the economic and regulatory agencies of the U.S. Government. State has a major voice in interagency decision-making on international economic policy and serves as the key player in integrating U.S. economic policy decisions into the nation's overall foreign policy. We take the interagency lead in several key negotiations such as investment, telecommunications, and aviation. Other agencies with which State works closely in pursuing the four Economic Prosperity goals are: Treasury, Commerce, and Agriculture, USAID, the U.S. Trade Representative (USTR), Transportation, the Overseas Private Investment Corporation (OPIC), and the Export-Import Bank (Ex-Im).

The majority of State's efforts in the economic area help advance the four goals covered by the "national interest" of Economic Prosperity. Nevertheless, a number of our efforts also contribute to the achievement of other goals in other "national interest" areas. State's work on energy security and policy contribute to achieving National Security goals. Our efforts on economic sanctions help achieve both Law Enforcement and Democracy Goals. We also play an important role in the economic dimensions of Humanitarian Assistance, especially food assistance.

GOALS

Over the next two fiscal years, State will continue to focus on the following strategic goals:

- *Open foreign markets to free the flow of goods, services, and capital.*
- *Expand U.S. exports to \$1.2 trillion early in the 21st century.*
- *Increase global economic growth.*
- *Promote broad-based economic growth in developing and transitional economies.*

STRATEGY

Continuing State objectives are open markets that allow the unfettered movement of U.S. trade and investment, and economic policy reforms that provide a basis for further global growth. For FY 1999 and FY 2000, we have two overarching priorities with regard to open markets: (1) reestablishing financial stability and economic growth in Asia, Russia, the Americas, and other areas affected by the Asian economic crisis; and (2) expanding the scope and coverage of regional and multilateral trade and investment

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agreements. Achieving the first priority is as essential to increasing U.S. exports as is the second. Our efforts in these areas will include working with Treasury on debt rescheduling and with OPIC on facilitating access to export finance. Paramount in this effort will be ensuring that the United States contributes adequate financing for the International Monetary Fund (IMF) and the Multilateral Development Banks to enable them to meet their growing responsibilities.

Growth-oriented economic reforms abroad, including the transition of formerly socialist nations to market-oriented economies and enhanced transparency of the regulatory regimes of both developed and developing economies, will facilitate and create open, growing markets for U.S. exports and investment. Equally important, they will also help create a more stable, secure international economic environment. International financial and economic institutions (e.g., World Trade Organization (WTO), IMF, and the World Bank Group) contribute both advice and financial liquidity to participants in the global economic system. State conducts worldwide advocacy in favor of economic reforms and has close relations with international financial and economic institutions. Working with USAID, State provides the policy analysis and guidance that underpin our development assistance policies and the allocation of development assistance resources in the International Affairs Account.

We will also work to expand the membership of regional arrangements like the North America Free Trade Agreement (NAFTA) and multilateral arrangements like the WTO, and extend liberalized trade and investment agreements to cover new sectors and issues, telecommunications, financial services, core labor standards, and anti-corruption measures. State will also continue our support for the President's African Growth and Opportunity Act and for the Free Trade Area of the Americas. Because foreign investment fosters trade, we continue negotiations toward a Multilateral Agreement on Investment (MAI) and more Bilateral Investment Treaties (BITs) to protect U.S. investors overseas.

While major U.S. corporations are already active and compete successfully in markets around the world, small and medium-sized U.S. enterprises (SMEs) – often the most innovative and competitive – have traditionally relied on the large U.S. domestic market for growth and have not aggressively sought export markets. State will encourage the export efforts of these firms, and continue supporting U.S. investment in foreign markets that is frequently the platform for U.S. business expansion leading to export growth. Working with the export promotion elements of the U.S. Government – Commerce, the Ex-Im Bank, and OPIC – State will implement advocacy strategies to support U.S. exporters and investors abroad.

Rational, effective economic sanctions can frequently be a substitute for military force or the threat of force to press foreign nations to adhere to accepted norms of international behavior in areas such as law enforcement (terrorism, narcotics-trafficking, and money-laundering) and human rights. State will help design and implement economic sanctions that are precisely targeted, effective, in compliance with our

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international obligations, and not unnecessarily burdensome for U.S. business. State will also develop, in coordination with Agriculture and USAID, allocations for P.L. 480 food aid assistance, and will represent the United States in donor-coordination bodies. State will also recruit and train a skilled, flexible, and motivated cadre of economic officers to staff domestic and overseas positions that help advance America's economic interests.

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STRATEGIC GOAL: *Open foreign markets to free the flow of goods, services, and capital.*

OUTCOME DESIRED: Markets in every country are open to American goods, services, and investment, with a level playing field that allows the United States to compete effectively.

PERFORMANCE GOAL: Expand the scope and coverage of regional, multilateral, and bilateral trade and investment arrangements involving the United States to include new countries and industry sectors, and continue to seek liberalization and market access in the telecommunications and aviation sectors.

STRATEGY

An open and fair trading system is essential to advancing U.S. economic growth and prosperity. International trade is equivalent to approximately one-fourth of U.S. Gross Domestic Product. About one-third of our economic growth in the past five years has flowed directly from exports. U.S. direct investment in foreign countries supports the expansion of U.S. exports, and globalization through foreign investments in the United States has created close to five million jobs contributing to one of the lowest unemployment rates in decades. Our market-opening initiatives are aimed at creating level playing fields for our highly competitive exporters and investors.

Our efforts to achieve this goal will be focused on using international and regional organizations to open markets worldwide to American goods, services, and investment, with as level a playing field as possible to allow the United States to compete effectively. Within these organizations we will press for rules that produce openness and discourage the restrictive, protectionist measures that inhibit the free flow of goods, services, and capital. We will renew our advocacy efforts domestically to secure Fast Track authority for the President, so that trade agreements negotiated by the USTR and State can be submitted for an up-or-down vote in the Congress rather than be subjected to amendments that require re-negotiation. State will seek greater liberalization and market access in the two sectoral areas where we have the leading negotiating role within the U.S. Government: aviation and telecommunications. We will also lend our support to the larger effort to maintain America's leading role in the worldwide energy



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market, both to maintain our access to the world's petroleum supplies and to sustain our role as a key supplier of equipment and services to the international petroleum industry.

We will encourage other nations to adopt trade policies so that they will become eligible to join the WTO, especially those new independent states formerly part of the Soviet Union whose integration into the world economy is a prerequisite for the political stability they need to succeed as independent, democratic countries. In Asia, we will encourage China and other key countries to conform to WTO standards and to join WTO. Elsewhere in the world we will also encourage countries to join WTO, convince member governments to abide by their WTO commitments, and ask non-members to take steps that are congruent with WTO principles. Together with Labor, we will continue to level the playing field for American firms by promoting strong monitoring mechanisms for core labor standards, especially through the implementation of an effective follow-up mechanism for the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work. Through the Food and Agriculture Organization's (FAO) "Codex Alimentarius" trade standardization program and the revised International Plant Protection Convention (IPPC), we will continue working with Agriculture to ensure plant health, a safer food supply, and a fair marketing environment for United States exporters. The revised IPPC must be accepted by two-thirds of parties to enter into force. We are working for a U.S. formal acceptance of the revised IPPC in FY 1999.

With OECD countries we will continue negotiations leading to the MAI. Beginning in 1999, we will work to achieve critical mass in the WTO necessary for concluding agreement covering nine economic sectors under the Early Voluntary Sectoral Liberalization process of the Asia Pacific Economic Cooperation (APEC) forum. In this hemisphere, through the Free Trade Area of the Americas (FTAA) negotiations, we will identify and press for the adoption of business facilitation measures. We will improve the American public's awareness of the economic success to date of NAFTA. We will also encourage South Asian nations to follow the lead of those now advocating a South Asia Free Trade Area. In Africa, using funds from the President's Partnership for Economic Growth and Opportunity, we will provide incentives to promote American investment and liberalize trade.

U.S. air carriers are strongly competitive and well placed to take advantage of expanded market opportunities, thanks mainly to deregulation of the U.S. air transport sector. When key bilateral partners are unwilling to open their markets as we are prepared to do in return, we seek liberalizing agreements as a bridge achieving our ultimate "open skies" goals. We also engage in constructive dialogue with the European Commission to ensure that conflicting competition rules do not reduce the pro-consumer benefits of airline alliances. Deregulation and industry growth have, however, created new challenges for air safety and aviation security. We therefore negotiate bilateral aviation safety agreements with partners who manufacture and/or maintain aircraft or aircraft components, and the Federal Aviation Administration (FAA) conducts safety assessments of foreign civil aviation administrations. Together with the FAA, we are working to strengthen International Civil Aviation Organization's (ICAO's) role in

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aviation safety with a view toward all 185 ICAO contracting states having audits of their safety oversight of carriers completed by the end of 2001. We are also working to reform the international aviation liability system.

Within the International Telecommunication Union (ITU) and other telecommunications organizations, we will continue advocating the adoption of policies that favor competition, private investment, and regulatory reform. State will organize and lead U.S. delegations in discussions with major telecommunications organizations and trading partners to open markets further in the communications area to gain access to scarce international resources (e.g., radio frequency spectrum), and to advance democratic structures and free markets in the area of information policy. We will negotiate agreements to provide market access for U.S. satellite service providers and to accommodate the use of new technologies. We will also encourage countries that do not have telecommunications regulatory agencies to develop legislation to create them, and encourage them to adhere to transparent, market-oriented telecommunications policies and practices.

EXTERNAL FACTORS

- ✓ We will continue to face strong developing-country objections to a more active role for the WTO on trade and labor issues, principally because such a development would inhibit their ability to resist more open competition.
- ✓ In response to the global economic crisis, other countries will not impose restrictive, protectionist measures that inhibit trade.
- ✓ NIS countries express support for WTO accession in principle, but economic hardships, special interest groups, and other factors will hamper the accession process.
- ✓ The United States will face opposition to some of its objectives on air transportation liability reform, particularly the creation of new legal protections for passengers and accident survivors.
- ✓ Economic conditions in key foreign markets may stiffen foreign airline resistance to liberal aviation agreements.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

Working with USTR, we will help integrate emerging economic powers into the world trading system through expanded WTO membership. One area of special emphasis will be NIS country accessions, with State concentration on bilateral advocacy. We will also open financial markets in developing and transitional economies through negotiated agreements.

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We plan to conclude additional Open Skies civil aviation agreements, and liberalize current aviation agreements with important partners so that they lead to Open Skies.

Working in the ITU, and through bilateral and additional multilateral negotiations, we will further open international telecommunications markets.

Working closely with USTR, we will intensify advocacy and public outreach efforts with the public and Congress (through speeches, testimony, articles, web site items, consultations) to obtain Fast Track authority for the President. We will also renew our efforts to secure passage of the African Growth and Opportunity Act.

We will protect our worldwide energy interests by ensuring market access in oil producing countries. We will also coordinate emergency response measures with other petroleum consumer nations, to ensure that collectively we will be able to meet the demands of an oil-supply cut-off resulting from non-market forces such as war or producer cartel actions.

Working through international organizations, and with other U.S.G. agencies (Labor, Commerce, Transportation, Agriculture, and Health and Human Services), U.S. business, labor, and non-governmental organizations (NGOs), we will improve America's economic opportunities through multilateral cooperation in a variety of technical fields, including setting standards in trade, communications, transportation, labor, intellectual property, food, agriculture, and health. In particular, we will engage in bilateral negotiations with other countries to open up new markets for the U.S. shipping industry.

INDICATORS, BASELINES, AND TARGETS

◆ **NIS and former Communist country accessions to the WTO.**

FY 1998 Baseline: 2 countries (Latvia, Kyrgyz Republic) are members of the WTO.

FY 1999 Target: 2 more countries accede to membership (Armenia, Estonia).

FY 2000 Target: 4 more countries accede to membership (Georgia, Moldova, Lithuania, Croatia).

Data source: WTO membership list.

◆ **Number of countries signing more liberal aviation agreements.**

FY 1998 Baseline: 34 countries have signed agreements.

FY 1999 Target: 6 more countries sign agreements (UK, Argentina, Kenya, China, Dominican Republic, Pakistan).

FY 2000 Target: 5 more countries sign agreements (Brazil, Colombia, Ghana, Poland, Spain).

Data Source: Department of State, Office of Treaty Affairs.

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- ◆ **U.S. telecommunications and information technology equipment sales (in \$ billions).**
 - FY 1998 Baseline: \$109 billion.
 - FY 1999 Target: \$115 billion.
 - FY 2000 Target: \$120 billion.
 - Data Source: Survey of Current Business.

- ◆ **Foreign operations revenues of U.S. telecommunications, including satellite, services providers (in \$ billions).**
 - CY 1997 Baseline: \$1.96 billion.
 - CY 1998 Target: \$2.06 billion.
 - CY 1999 Target: \$2.16 billion.
 - CY 2000 Target: \$2.26 billion.
 - Data Source: Survey of Current Business.

- ◆ **Number of petroleum consumer countries that maintain 90-day stocks to meet an oil-supply emergency resulting from non-market forces.**
 - FY 1998 Baseline: 22 consumer countries maintain 90-day stocks.
 - FY 1999 Target: 2 more countries maintain 90-day stocks (Turkey and Portugal).
 - FY 2000 Target: 2 more countries maintain adequate stocks (Czech Republic and Korea).
 - Data source: International Energy Agency

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STRATEGIC GOAL: *Expand United States exports to \$1.2 trillion early in the 21st century.*

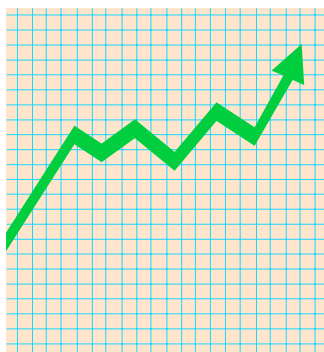
OUTCOME DESIRED: Expand United States exports to higher levels by 2001, thus generating more and better jobs at home for Americans.

PERFORMANCE GOAL: Focus U.S.G. export promotion efforts on the best international market prospects.

STRATEGY

Trade accounts for about one-fourth of U.S. Gross Domestic Product, and is a key factor in generating economic growth and employment. Each \$1 billion in U.S. exports generates at least 15,000 jobs, and about 12 million Americans owe their jobs to exports. One study has found that employment growth in exporting firms is nearly 20% higher than in non-exporting companies. Moreover, export-based jobs are better jobs. Exporting companies pay wages that average 12.5% to 18% higher and offer more benefits than non-exporting firms.

An Administration-wide effort, coordinated through the interagency Trade Promotion Coordinating Committee (TPCC), will focus increased export promotion resources and high-level attention on the fastest growing global markets and on those offering the best prospects for U.S. exporters. State and all Chiefs of Mission (COMs) overseas will play an important leadership role in that effort. COMs in key markets must ensure that all elements of the mission – not just Commerce’s Foreign Commercial Service (FCS) – are effectively involved in the export-promotion effort. At missions where there is no FCS presence, State officers will be totally responsible for this effort. Our intention is make the “America Desk” a reality throughout State and overseas, by providing a broad range of assistance to U.S. business through trade promotion and facilitation activities and programs, advocacy, and export financing.



There is a direct link between U.S. investment abroad and the level of U.S. exports. Developing a broad network of binding investment protections through the MAI and BITs will assist U.S. companies that wish to invest abroad. In addition, although 75% of new jobs in the United States are created by SMEs these firms are under-

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represented in their share of U.S. exports and overseas investment. They will clearly need more assistance from the U.S. Government than will Fortune 500 firms. An essential first step is to encourage SMEs to explore export opportunities. Through outreach efforts and in answering direct inquiries, we will ensure that SMEs are in contact with the appropriate Commerce offices that can support their move into exports.

EXTERNAL FACTORS

- ✓ European and Asian competition in the best prospect markets will remain fierce, and these governments will continue to support their exporters through export credits and advocacy.
- ✓ While espousing trade liberalization goals, many countries will resist measures necessary to break long-established monopolies and allow foreign equipment and service providers to have effective market access.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

Working together with USTR and Commerce, we will facilitate the resolution of trade issues with the European Union.

Working with the FCS, OPIC, and TDA, we will help focus U.S. Government advocacy, finance, and other export promotion efforts on the most fruitful market prospects.

State will support American direct private investment by continuing to negotiate an MAI within the OECD framework and BITs, as a means of increasing U.S. exports. Agricultural exports will also be a high priority.

INDICATORS, BASELINES, AND TARGETS

◆ **Total level of all U.S. exports (goods only, not services).**

FY 1998 Baseline: \$665 billion.

FY 1999 Target: \$685 billion.

FY 2000 Target: \$700 billion.

Data Source: Commerce Department Export Statistics.

◆ **Bilateral Investment Treaties negotiated.**

Prior to FY 1998: 40 BITs signed (Albania, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Bulgaria, Cameroon, Democratic Republic of the Congo (formerly Zaire), Republic of the Congo, Croatia, Czech Republic, Ecuador, Egypt, Estonia, Georgia, Grenada, Haiti, Honduras, Jamaica, Jordan, Kazakhstan, Kyrgystan, Latvia, Moldova, Mongolia, Morocco, Nicaragua, Panama, Poland, Romania, Russia,

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	Senegal, Slovakia, Sri Lanka, Trinidad and Tobago, Tunisia, Turkey, Ukraine, Uzbekistan).
FY 1998 Baseline:	Signed 2 more BITs (Bolivia and Lithuania) Ongoing negotiations with 5 countries. Engaged in preparatory discussions with 44 other countries.
FY 1999 Target:	Sign 4 more BITs (Korea, Hong Kong, Panama amendment, Mozambique). Conduct 6 ongoing negotiations. Engage in preparatory discussions with 50 countries.
FY 2000 Target:	Sign 4 more BITs (countries to be determined). Conduct 8 ongoing negotiations. Engage in preparatory discussions with 50 countries.
Data Source:	www.state.gov/issues/economic/7treaty.html

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STRATEGIC GOAL: Increase global economic growth.

OUTCOME DESIRED: Broadly based economic growth occurs in all countries.

PERFORMANCE GOAL: Other countries and international financial institutions adopt policies designed to achieve global financial stability and restore economic growth.

STRATEGY

Increased globalization means that global macro-economic conditions will have an increasing impact on economic growth and conditions in the United States, and that our own export, income, and employment levels will benefit from faster economic growth elsewhere in the world. The United States must therefore continue encouraging other governments and International Financial Institutions (IFIs) to adopt policies designed to support sustainable economic growth. Recent turmoil in Asian and other international markets threatens the growth and prosperity of a number of our trading partners. Declines in growth abroad will not only shrink markets for U.S. exports but also limit profitable overseas investment opportunities. It could also hurt U.S. employment levels if U.S.-based subsidiaries of foreign companies are forced to make cutbacks. Declines in global growth could also contribute to political instability and threaten gains made toward democracy in recent years.



State's efforts to achieve this goal will focus on advocacy and negotiations, in concert with other U.S. Government agencies (USAID, Ex-Im Bank, Treasury, USTR, OPIC, and Commerce). Through international economic groupings -- such as the G-7/8, G-22, and the Asian-Pacific Economic Cooperation organization -- the U.S. Government will create multilateral and bilateral programs to help manage the Asian economic crisis. Such programs could include innovative trade financing initiatives so that countries in crisis could finance imports from the United States, or helping establish social "safety nets" in certain countries.

The IFIs are a powerful tool that we can use to support and further all U.S. foreign policy objectives, including those that are specifically focused on economic prosperity

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objectives. U.S. contributions to these organizations can thus be leveraged by our ability to provide foreign policy guidance on their programs, and the impact is thereby magnified over what we could accomplish only through bilateral means. Although the United States has always played a leadership role in the IFIs, that leadership depends on timely U.S. payments to the Multilateral Development Banks (MDBs). We have made considerable progress in recent years, but our leadership can still be threatened by the U.S. arrears in payments to the MDBs, for example the Asian Development Bank and the African Development Bank. Obtaining essential funding for these development banks, as well as organizations like the IMF and the World Bank, will be critical to our efforts to promote stability in the face of the Asian economic crisis and its fallout worldwide. The United States is also working with the IFIs to develop better early warning mechanisms to enable countries themselves, with the help of the IFIs, to address problems before they get out of hand.

EXTERNAL FACTORS

- ✓ The global financial crisis will continue to affect economic growth negatively, not only in Asia but also in other parts of the world such as Russia and Latin America.
- ✓ Major emerging markets will remain volatile.
- ✓ Other countries will be willing to undertake serious policy and regulatory reform if the incentives offered are adequate.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

In conjunction with USAID, Treasury, OPIC, and Commerce, State will use advocacy to convince other governments to adopt macro-economic, trade, investment, exchange-rate, tax, and regulatory policies designed to support sustainable economic growth. In Latin America and the Caribbean, we will continue to promote broadly based macroeconomic reforms, including trade and investment liberalization, sound fiscal management, a stronger commitment to the rule of law and support for property rights, and improved financial sector legislation. In Asia, the U.S. Government will work through a number of bilateral and multilateral channels, including APEC, and one of our principal objectives will be to facilitate private international financial flows. Structural reforms are also high on our agenda, and in NIS countries and South Asia tax code reform and more effective tax collection are specific areas of focus.

Strengthening IFIs and MDBs will be accomplished principally by persuading the Congress to fund timely payments to these institutions. State will work with Treasury to achieve this objective over the next two fiscal years. Under Treasury leadership, State will help develop policy approaches to IFI and MDB program proposals for individual countries that seek the most effective balance between the need for serious conditionality on economic issues with compelling political considerations.

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While State is a key agency in the total U.S. Government effort, we do not actually implement economic, financial, or assistance programs that contribute directly to achieving this goal. Similarly, State does not have the leading role in U.S. Government relations with the IFIs. Thus, other agencies (e.g., USAID, Treasury, USTR, and Commerce) will track macro-economic indicators that measure the effectiveness of such programs. State does, however, provide critical analysis of political and economic trends and comprehensive support for a wide range of economic and development programs. Embassy reporting is also key to formulating U.S. Government policy toward IFIs in regard to individual countries and projects.

INDICATOR, BASELINE, AND TARGETS

◆ **U.S. arrears to selected International Financial Institutions (IFIs)**

IFI		FY 1998 Baseline	FY 1999 Target	FY 2000 Target
World Bank Group	IDA*	0	0	0
	GEF	\$192.5 m.	\$107.5 m.	0
European Bank for Recon- struction & Development	EBRD	0	0	0
International Monetary Fund	Quota	0	0	0
	NAB	0	0	0

*subject to ongoing negotiations on IDA-12 replenishment

Data Source: Individual IFI data

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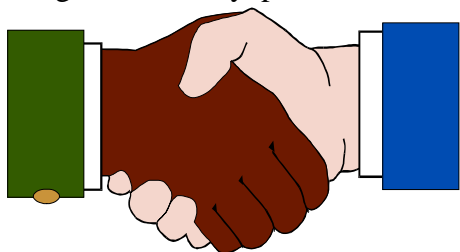
STRATEGIC GOAL: *Promote broad-based economic growth in developing and transitional economies.*

OUTCOME DESIRED: Developing and transitional economies achieve sustainable economic growth, establish or strengthen market-based economic structures, become full members of the world economy, and eventually provide markets for United States exports.

PERFORMANCE GOAL: Developing and transitional economies make the necessary policy changes to create environments capable of supporting sustained economic growth.

STRATEGY

The United States seeks to strengthen market-based economies throughout the world, particularly in developing countries and in those countries making the transition from socialist economies. Strong economies throughout the developing world contribute to regional stability, promote democratic progress, and eventually can provide increased



markets for U.S. exports. These positive outcomes are also among our objectives for the former communist countries of Central and Eastern Europe, Russia, and the other NIS countries. As these countries make economic progress, their need for assistance from industrialized nations and IFIs will also diminish.

Working through IFIs and with other U.S.G. agencies (e.g., USAID, Treasury, OPIC, Ex-Im Bank, Commerce, and USTR), State will use advocacy and International Affairs programs to convince countries with developing and transitional economies to make policy changes that create an environment favorable to sustainable economic growth. At a general level, the policy changes we seek involve establishing structures and legal frameworks to facilitate competition, improve the rule of law, increase transparency, encourage investment, strengthen democracy, balance growth with environmental concerns, and remove artificial barriers to credit and trade.

The United States also promotes sustainable, broad-based growth in these countries through international organizations and programs. The UN Conference on Trade and Development (UNCTAD), UN regional economic commissions, UN

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Development Program (UNDP), UN Development Fund for Women (UNIFEM), UN Children's Fund (UNICEF), and the International Fund for Agricultural Development (IFAD) all in some measure have programs that promote this goal. Over the next several years, the United States will push for continued reform in these UN bodies and agencies through specific, targeted initiatives designed to improve management (better coordination), support projects that promote market-oriented solutions, and focus attention on in-country technical assistance programs.

EXTERNAL FACTORS

- ✓ Governments receiving funding from IFIs will remain reform-minded and committed to IFI reform programs.
- ✓ Countries with transitional economies will continue to move in the direction of market-based economies.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

Working principally with USAID, but also Treasury, Justice, and Labor, State will use the Support for Eastern European Democracy (SEED) program and FREEDOM Support Act (FSA) funds to assist countries in the region to continue their successful transition from communism to market-based economic structures. In addition to encouraging sound macro-economic policies, SEED programs focus on privatization, enterprise restructuring, banking reform, and policies that strengthen competition. With the NIS countries, State will use advocacy within bilateral commissions (Russia, Ukraine, Kazakhstan, and Uzbekistan) and directly with other regional governments, supported by USAID assistance programs, to accomplish a broad range of objectives. These objectives include: restructuring intergovernmental financing systems; establishing modern, transparent budgeting practices; regulating securities markets; establishing accounting standards for commercial banks; privatizing industry under equitable conditions; and supporting trade union activism.

USAID programs in the Western Hemisphere will help advance U.S. objectives for sustainable growth in the developing economies of the region, where State will provide strong advocacy in both political and economic forums. Working together with other donors, especially Canada, we will focus on: promoting competition; increasing investment in human resources through education programs; removing barriers to credit, technology, land, and markets for the poor; and reforming labor laws, with special attention on workers' rights.

Working principally through USAID programs, but also in cooperation with Treasury, Commerce, and USTR, State will advocate economic reforms designed to bring Africa more fully into the world economic system. We will also use State's chairmanship of U.S. delegations to Paris Club debt-rescheduling talks to achieve sustainable debt burdens for the most highly indebted African countries with a demonstrated commitment

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to reform. The U.S. Government's principal focus will be on persuading African governments to establish more transparent, accountable government systems that reduce corruption, encourage domestic and foreign investment, and spur economic growth.

Elsewhere in the world, we will seek to achieve similar goals through assistance programs and policy coordination with other donors and IFIs. In South Asia these efforts will be supplemented by USAID and Agriculture programs focused on food security and using technical assistance in the agricultural sector, promoting increased rural electrification, and improving rural road systems. Basic health and education programs, particularly those focused on women and children, will figure prominently in our South Asia agenda. In East Asia and the Pacific, State will advocate policies that expand the rule of law and transparency to strengthen national economies and attract increased foreign investment. The tools to be used include USAID developmental assistance programs, as well as Economic Support Fund (ESF) throughout the region and Compact of Free Association Fund programs for the states of Micronesia.

Support from the MDBs is critical to the success of countries in the developing world, and thus timely payments to these banks from donor countries are important to achieving the overall goal. State will focus special efforts, working closely with Treasury, on persuading the Congress to reduce U.S. arrears in payments to the MDBs. Our ultimate target is to have no arrears by FY 2000.

While State is a key agency in providing overall policy guidance and coordination for the total U.S. Government effort, we do not actually implement economic, financial, or assistance programs or projects that contribute directly to achieving the goal. Similarly, State does not have the lead role in U.S. Government relations with the IFIs. Thus, other agencies (e.g., USAID, Treasury, USTR, and Commerce) will track macro-economic indicators that measure the effectiveness of such programs. Embassy reporting on the macroeconomic policies of those countries receiving foreign assistance is essential, however, to the formulation of U.S. Government policies and conditions for all such assistance. Lastly, State does take a leading role in promoting this goal through international organization programs and activities.

INDICATORS, BASELINES, AND TARGETS

♦ **“Graduation” from the SEED program as a measure of the development of a market economy and a strong private sector.**

FY 1998 Baseline: “Graduates” include the Czech Republic, Estonia, Slovenia, Hungary, and Latvia.

FY 1999 Target: Lithuania, Slovakia, and Poland graduate.

FY 2000 Target: Albania, Bosnia, Bulgaria, Romania, and the FYROM graduate. Serbia/Montenegro will depend on political prerequisite developments.

Data source: USAID.

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♦ **U.S. Arrears to Selected Multilateral Development Banks (MDBs).**

		FY 1998	FY 1999	FY 2000	
MDB			Baseline	Target	Target
Inter-American Development Bank	IDB	0	0	0	0
	FSO	\$21.2 m.	0	0	0
	MIF	\$148.8 m.	\$98.8 m.	0	0
Asian Development Bank	ADB	0	0	0	0
	ADF	\$187 m.	\$77 m.	0	0
African Development Bank	AfDF*	\$83.8 m.	\$27 m.	0	0

*subject to ongoing replenishment negotiations

Data Source: Individual MDB data.

**NATIONAL INTEREST: AMERICAN CITIZENS AND U.S.
BORDERS**

OVERVIEW

One of the U.S.G's most important responsibilities is the protection of U.S. citizens traveling or residing abroad. Although State actively tries to help our fellow citizens avoid problems by issuing travel warnings and other publications designed to promote safe travel, we know it is inevitable that Americans will be caught up in political crises, natural disasters, and other situations with which they cannot cope on their own. State will ensure that they get help. We are concentrating on enhancing our crisis management expertise and readiness, developing an action plan for inter-agency cooperation in aviation disasters, and improving service to parents who wish to adopt a child abroad or whose children have been abducted to another country.

With passport issuance already at record levels, we project a 5% increase in each of the next two years. We are nonetheless committed to maintaining current customer service standards.

Provisions in the Illegal Immigration Reform and Immigrant Responsibility Act (IIRAIRA) and other recent laws have severely burdened visa sections overseas. As an example, all individuals immigrating to the U.S. in the family-based categories (84% of all immigrants in 1997) now must submit a legally binding Affidavit of Support executed by the petitioner in the U.S. As many petitioners do not meet the minimum financial requirements to support their relatives, and others have found the complexity of the paperwork daunting, the visa refusal rate has skyrocketed at many of our largest posts abroad. Our posts are forced to interview more applicants every month and will have to process at least 35,000 more immigrant visa cases in order to use all of the Congressionally required visa numbers in a given year. The amendment of section 245(i) of the Immigration and Nationality Act, which had allowed certain individuals who were "out of status" in the United States to complete immigration formalities directly with the Immigration and Naturalization Service, means that such individuals now have to apply for adjustment of status abroad. While the effect will be incremental over the next several years, our overseas posts could see workload increases of 100% or more as a result of this change. We will explore ways of handling this greater volume of work.

The Border Security Program, our nation's first line of defense against travel here by terrorists, international organized crime members, or persons whose presence may otherwise violate U.S. immigration laws, will reach a landmark in FY 1999. We will install hardware and software at all 220 visa-issuing posts overseas which will offer significant operational and security improvements over their predecessors, and allow for the seamless exchange of data between State and posts abroad. Another major initiative will be our effort to comply with Section 104 of the IIRAIRA which requires that every Border Crossing Card (BCC) issued as of April 1, 1998, contain a biometric (a

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fingerprint) and be machine-readable. The law also requires that any person using a BCC to enter the U.S. as of October 1, 2001, have one of the new cards.

GOALS

Over the next two fiscal years, State will continue to focus on the following strategic goals:

- *Enhance the ability of American citizens to travel and live abroad securely.*
- *Control how immigrants and nonimmigrants enter the United States.*

STRATEGY

1999 will see a revolution in the way passports are processed and file data is archived. Obsolete passport printers will be replaced with new Y2K compliant systems that will digitize the photograph on the data page and greatly reduce the passport's vulnerability to alteration. The digitized systems also will permit electronic file transfers both before and after issuance, aiding in efforts to balance workloads and expediting the verification of citizenship and identity in cases of lost passports.

Ratification of the Hague Convention on International Adoptions is likely in FY 1999. This will result in increased responsibilities. Experience with the Hague Abduction Convention since 1995 has led us to the conclusion that to improve implementation all Convention casework should be consolidated into one agency. For this reason, State will resume responsibility for the approximately 400 cases diverted each year to the National Center for Missing and Exploited Children under an expired Justice grant.

To minimize legal barriers between the U.S. and foreign governments, we will encourage foreign governments to participate in existing multilateral treaties to which the United States is a party. These include the Hague Conventions on child abductions, obtaining evidence, and serving and legalizing documents. We will participate in meetings of special interest groups and Congressional staff briefings in Washington and other major cities early in the 106th Congress.

We have embarked on an ambitious systems modernization effort to ensure that all consular applications are Y2K compliant and provide reliable, timely information to consular personnel in the United States and abroad. The installations will be completed in FY 1999. The second generation Machine Readable Visa (MRV-2) computer system offers significant operational and security improvements over its predecessors. The American Citizen Services (ACS) system will allow for the seamless exchange of data between State and posts abroad and facilitates effective support to American citizens abroad as well as strengthening U.S. border security by improving the exchange of information regarding passport issuance. The modernized Consular Lookout and Support

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System (called CLASS-E) will migrate to a new mainframe computer that will ensure full redundancy and optimize operational reliability and performance.

Under a work-sharing arrangement with the Immigration and Naturalization Service (INS), we met the first deadline under the IIRAIRA which requires that every Border Crossing Card issued as of April 1, 1998, contain a biometric (a fingerprint), and be machine-readable. Consular officers in Mexico adjudicate BCC applications, then forward the applicant's photo, biometric and biographical data electronically to INS. INS produces the document in the U.S. and returns it to Mexico. The new BCC is a credit card-sized document with many security features and a ten year validity. The law also requires that any person using a BCC to enter the U.S. as of October 1, 2001, have one of the new cards, meaning that approximately 5.5 million existing cards will have to be replaced. The joint goal of State and INS is to implement this program so as to avoid disruption to cross-border travel and trade.

AREAS OF FOCUS IN FY 1999 AND FY 2000

Over the next two fiscal years, State will focus on the following issues:

- Customer Service

A primary and ongoing area of focus is customer service. Americans as well as foreigners expect and should receive knowledgeable, efficient, and courteous service, both in the U.S. and at all of our missions abroad. We will continue to cultivate a skilled, motivated, diverse, and flexible workforce; use new technologies to provide the public and our missions abroad with easy access to up-to-date information; and continue our outreach efforts to inform the public and the Congress of how State serves Americans abroad.

- Passport Services

The number of passports issued each year continues to increase at about 5%. To meet this rising demand and maintain the integrity of the system we must use new technologies.

- Crises

We must continue to improve our crisis management and readiness to ensure that Americans are helped when they are caught up in political crises, natural disasters, and other situations with which they cannot cope on their own.

- Children's Issues

The number of children adopted abroad by Americans continues to increase dramatically. To help us keep pace and improve our services in this area we must lay

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a firm groundwork by focusing on standardizing legal aspects of international adoptions worldwide. We will seek U.S. Congressional support for the ratification of treaties such as the Hague Convention on International Adoptions, and encourage foreign governments to become signatories of these treaties. We must also improve services for Americans whose children have been abducted to another country. The Hague Convention on the Civil Aspects of International Child Abduction offers the best hope for expedited return of American children taken abroad by one parent. We will continue our outreach efforts to foreign officials to explain the advantages of the Convention. We also will seek ways to reduce the caseload of officers handling child abduction cases.

- Visa Services

New legislation continually affects visa services. To help our personnel in the field keep pace, State will write regulations and guidance to the field as these many pieces of new legislation are enacted, and update the electronic Foreign Affairs Manual (FAM) using an easy-to-search format. We will continue our partnership with the Immigration and Naturalization Service to issue new Border Crossing Cards and strive to meet the deadline set by Congress.

- New Technologies

We must find more ways to increase our productivity without sacrificing the quality of our products and services. The efficient dissemination of information through new technologies is a primary focus in this effort. We will use computer and automated telephone systems to provide up-to-date information easily available to the public. The Office of Overseas Citizen Services has a new computer system/database that is shared by our diplomatic posts in increasing numbers. At the end of FY 1998, 82 posts had access to the new system. We plan a total of 229 installations, all of which will be completed by the end of FY 2000. We will get an updated Y2K compliant telephone system for recorded information provided to the public.

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STRATEGIC GOAL: *Enhance the ability of American citizens to travel and live abroad securely.*

OUTCOME DESIRED: U.S. citizens will have the information and services they need to travel and reside abroad.

PERFORMANCE GOAL: State will provide American citizens services knowledgeably, efficiently, and courteously.

STRATEGY

U.S. citizens expect accurate information on travel safety and consular services. We will provide this information by maintaining up-to-date Consular Information Sheets for each country in the world, and making them available through the Internet, automated telephone and fax services, and the media.

When citizens do encounter trouble abroad, we will assist them. We will strengthen our crisis management expertise and readiness, with particular emphasis on aviation disasters, an area for which there is an urgent need to clarify and coordinate areas of responsibility. We will coordinate with the National Transportation Safety Board (NTSB), the Federal Aviation Administration (FAA), Defense, and other agencies identified as having an interest, to prepare standard procedures for dealing with international disasters involving commercial and U.S. government aircraft pursuant to memoranda of understanding with the NTSB and airlines.



Increased formal and on-the-job training and upgrading the automated telephone system to improve handling and proper direction of incoming telephone calls will enable us to improve customer service. We will employ the new Year 2000 (Y2K) compliant American Citizens Services (ACS) software program to improve case management and response time, and use feedback from Overseas Citizens Services (OCS) staff and posts abroad to introduce refinements and upgrades. We will ensure that all other systems supporting services to U.S. citizens are Y2K compliant.

We will work closely with foreign governments to improve treatment of U.S. citizens incarcerated abroad, especially when there are allegations of mistreatment or abuse. We will seek to increase foreign governments' awareness of the requirements of

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the Vienna Convention on Consular Relations for consular notification when U.S. citizens are arrested abroad. We will work with domestic law enforcement agencies to ensure that failure of U.S. law enforcement agencies to comply with the Convention cannot be an excuse for foreign governments to ignore their obligations with regard to Americans.

Ratification of the Hague Convention on International Adoptions is likely in FY 1999. The Administration has submitted implementing legislation and must make other preparations for dealing with the new responsibilities and increased workload the Convention will entail.

State's international parental child abduction workload is also growing, with each officer already handling 140 of these complex cases, in addition to their adoption workload, which makes it impossible to provide the attention which emotionally distraught parents deserve. (By contrast, each caseworker in the National Center for Missing and Exploited Children's International Division, which does similar work domestically, has about 50 active cases at any one time, and they do not handle adoption cases.) Experience with the Hague Abduction Convention since 1995 has led us to the conclusion that handling all Abduction Convention casework in one agency will result in improved implementation of the Convention by the U.S. For this reason, State will resume responsibility for the approximately 400 cases diverted each year to the National Center for Missing and Exploited Children under an expired Justice grant.

To reduce legal complications abroad for U.S. citizens, we will work for greater participation in existing multilateral treaties to which the U.S. is a party (Hague Conventions on obtaining evidence, serving documents, legalization, and child abduction; regional prisoner transfer treaties, etc.).

We will coordinate with federal benefits paying agencies, such as the Social Security Administration and Veterans Administration, to provide efficient distribution of federal benefits overseas. This can be accomplished by expanding the use of electronic funds transfer, increasing anti-fraud investigations, sharing data on claims, and eliminating double Social Security Taxation.

We will increase understanding of consular matters through participation in meetings of special-interest groups, through Congressional staff briefings to be held in Washington and in major regional population centers early in the 106th Congress, and at regional meetings of consular officers abroad.

EXTERNAL FACTORS

- ✓ The number of U.S. citizens who travel or reside abroad will continue to increase, as will the demand for services.

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- ✓ Wars and political and economic crises in developing countries will demand exceptional assistance to American citizens, including evacuation.
- ✓ Natural disasters, airline crashes, and other unanticipated crises involving American citizens will occur.
- ✓ Foreign countries will make efforts to abide by their agreements and treaties.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

Within the Department of State, the bureau of Consular Affairs has the primary responsibility for this performance goal.

State will increase public access to information regarding consular services and travel safety. We will install and use the ACS computer software program. We will send MOUs to 70 domestic and 146 international airlines that fly to or from the United States regarding State's role in aviation disasters. We will work with other governments to ensure that consular officers receive notification of the arrest of U.S. citizens within 48 hours. We will improve service to left-behind parents in abduction cases.

INDICATORS, BASELINES, AND TARGETS

◆ **Use of the Internet to disseminate information on consular services and travel safety.**

FY 1998 baseline: CA's website averages 70,000 accesses per day. 95% of users found the information helpful.

FY 1999 target: CA's website averages 100,000 accesses per day. At least 95% of users found the information helpful.

FY 2000 target: CA's website averages 150,000 accesses per day. At least 95% of users found the information helpful.

Data Source: Internet: <http://travel.state.gov/accesswatch>

◆ **Status of Y2K compliant American Citizen Services system.**

FY 1998 Baseline: 80 of 229 planned installations have the Y2K ACS system.

FY 1999 Target: All 229 installations have the Y2K compliant ACS system.

Data Source: Certification statements from hardware and software providers.

◆ **Memoranda of Understanding between State and each of the 216 domestic and international airlines serving the United States regarding U.S. citizen passengers in the event of an air disaster.**

FY 1998 baseline: MOUs with the National Traffic Safety Board and 16 airlines. (7% of 216).

FY 1999 target: Interagency Action Plan and MOUs with 10 additional airlines (5%). Total MOUs with airlines: 26 (12% of 216).

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FY 2000 target: MOUs with 10 additional airlines (5%). Total MOUs with airlines: 36 (17% of 216).

Data Source: Bureau of Consular Affairs

◆ **Case workload per officer to left-behind parents in child abduction cases.**

FY 1998 baseline: 140 cases per officer; cases are diverted to the National Center for Missing and Exploited Children.

FY 1999 target: 80 cases per officer; State handles all Abduction Convention cases.

FY 2000 target: 80 cases per officer; State handles all Abduction Convention cases.

Data Source: Bureau of Consular Affairs

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STRATEGIC GOAL: *Control how immigrants and non-immigrants enter and remain in the United States.*

OUTCOME DESIRED: All persons using Border Crossing Cards to enter the United States after October 1, 2001 will use a card issued after April 1, 1999.

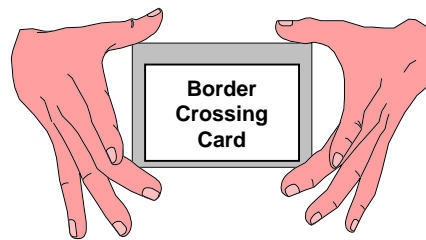
PERFORMANCE GOAL: Replace approximately 5.5 million Border Crossing Cards by October 1, 2001 without disrupting cross-border travel and trade.

STRATEGY

The Illegal Immigration Reform and Immigrant Responsibility Act of 1996 requires that every Border Crossing Card (BCC) issued as of April 1, 1998 contain a biometric (a fingerprint) and be machine-readable. It also requires that every person using a BCC to enter the U.S. as of October 1, 2001 must have one of the new cards. To comply with this legislation we will have to replace approximately 5.5 million existing cards.

Consular officers at posts in Mexico adjudicate BCC applications, then forward the applicant's photo, biometric and biographical data electronically to the Immigration and Naturalization Service (INS). INS produces the document in the U.S. and returns it to Mexico.

The new BCC is a credit card-sized document with many security features and a ten year validity. The joint goal of State and INS is to implement this program so as to avoid disruption to cross-border travel and trade.



To serve the additional customers this project will generate, we have opened a consulate in Nogales, and are expanding the consulate in Nuevo Laredo to provide all consular services, and establishing a series of U.S.G. contractor-operated Temporary Processing Facilities (TPFs) along the Southwest border. U.S.G. employees will adjudicate the BCC applications. In addition, consular officers in Agua Prieta, Ciudad Acura, Piedras Negras, Reynosa, and other towns along the border to accept applications at locations convenient to the applicants. We expect that the fees paid by applicants will cover the cost of the program.

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EXTERNAL FACTORS

- ✓ INS will be able to issue no more than 1,000,000 BCCs per year.
- ✓ Funds currently generated by the Machine Readable Visa (MRV) application fee paid by persons seeking non-immigrant visas will continue to be available.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

Under a work-sharing arrangement with INS, we are accepting and adjudicating BCC applications at our posts in Mexico. We forward the applicant's photo, biometric and biographical data electronically to the INS which produces the BCC and returns it to the sending post in Mexico. Approximately 5.5 million BCCs must be issued before October 1, 2001. It seems likely that INS will not be able to produce enough cards to complete the card replacement program before the deadline set by Congress. State is exploring options to increase production capacity, but we anticipate seeking legislation to extend the deadline.

INDICATORS, BASELINES, AND TARGETS

◆ **BCC applications taken in Nogales.**

FY1998 Baseline: Consulate not open.

FY1999 Target: Consulate opened in November 1998. 36,000 applications taken.

FY2000 Target: Consulate is fully operational, adjudicating about 150,000 applications annually.

Data Source: Annual report to the Congress on BCC project status.

◆ **BCC applications taken in Nuevo Laredo.**

FY1998 Baseline: Zero applications taken.

FY1999 Target: 70,000 applications taken.

FY2000 Target: 75,000 applications taken.

Data Source: Annual report to the Congress on BCC project status.

NATIONAL INTEREST: LAW ENFORCEMENT

OVERVIEW

The illegal drug trade and growing criminal enterprise around the world are among the most serious threats to the United States in the post Cold-War era. In response, President Clinton has placed combating international narcotics trafficking, terrorism, and organized crime high on our national security and foreign policy agendas. State has broad responsibility for federal law enforcement policy and program coordination in the foreign arena. Justice, Treasury, Defense, the Intelligence Community, the FBI, Drug Enforcement Administration, U.S. Customs Service, and the Coast Guard support these efforts. Among other services, they share information, provide personnel and expertise to conduct international training; cooperate with their international counterparts on criminal investigations and drug interdiction operations; and provide detection, monitoring, and other logistical support for anti-drug operations. Terrorism threatens the security of Americans and our friends at home and around the world. Effective counterterrorism also calls for the skills and resources of many U.S.G. agencies.

Drugs and international crime pose a unique threat to the long-term security of the United States and are among the most important sources of global instability in the post-Cold War era. Unlike other foreign policy interests that may challenge either domestic or external interests, drugs and crime simultaneously target both. They result in death or injury to our citizens, and through their power to corrupt and subvert, they have the capacity to erode U.S. social and economic structures at the same time as they undermine our national security and our international relations. New forms of international crime, such as the theft of intellectual property rights and cybercrime, meanwhile pose a growing threat to our commercial interests abroad, putting our critical infrastructure (communication, transportation, energy systems) at greater risk, and exacerbate the serious problems that corruption and weak law enforcement institutions already pose for U.S. companies in some regions.

State has taken the lead to define the international organized crime threat, outline our foreign policy response, and develop and implement U.S. international crime control programs. Given the ubiquitous, multinational nature of this threat, much of our effort focuses on building a strong multilateral response and strengthening judicial and law enforcement institutions in the most critical and threatened nations. State has made significant progress in coordinating and focusing the U.S. response to the international crime threat and moving the international community beyond discussion to action. The other participants in that effort are Justice, Defense and the Intelligence Community.

The President has reaffirmed the designation of State as the lead in coordinating our counterterrorism policy and operations abroad. State also provides protective intelligence support worldwide for high-profile and high-threat protective security details

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and major international events. Through interagency coordination and exchanges of information, terrorist threats are evaluated, investigated and countered. By agreement with the FBI, which is the lead agency for criminal investigations of terrorist incidents, State conducts protective intelligence investigations of attacks involving U.S.G. interests abroad or domestic State interests to identify methods and vulnerabilities to improve future countermeasures.

GOALS

Over the next two fiscal years, State will continue to focus on the following strategic goals:

- *Minimize the impact of international crime on the United States and its citizens.*
- *Reduce significantly from 1997 levels the entry of illegal drugs into the United States.*
- *Reduce international terrorist attacks, especially against the United States and its citizens.*

STRATEGY

International drug and crime control is difficult, dangerous, and expensive. The drug and crime trades are constantly changing as international criminals seek new methods of operation to defeat international control efforts. Without U.S. leadership, many countries would opt for slower-paced, less confrontational implementation strategies. Our priority is to strengthen U.S. leadership through several initiatives.

The international cocaine trade is more vulnerable than ever. Colombia, Bolivia, and Peru are now committed to eliminating illicit cultivation within the next 5-10 years. Current efforts show that this can be achieved if we remain tough and adequately fund alternative development and eradication programs. State is the only agency with that mandate. Thus, a top regional priority is to advance comprehensive coca reduction strategies in Latin America with increased support from international donors.

A rapidly growing drug abuse problem worldwide, including in the United States, is heroin. Most of the heroin comes from Asia; Burma and Afghanistan are the biggest sources. Currently, the UN is the best tool we have to effect changes in these countries. At the recent United Nations General Assembly Special Session (UNGASS) on narcotics, we endorsed the UN Drug Control Program Director's goal to eliminate or significantly reduce illicit opium and coca cultivation in 10 years. One step is to perfect an alternative development and eradication program in Laos – the third largest opium producer – to stop the spread of cultivation and serve as a model for the rest of the region.

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Targeting the leaders and money of the major crime networks is a top priority in our effort to weaken these organizations and eliminate the worst source of crime-related corruption. To advance police cooperation, we will pursue efforts to establish International Law Enforcement Academies. It is equally important to focus on strengthening the abilities of prosecutors, judges, and courts. The linkage to training is direct: the foundation for strong law enforcement institutions in a democracy is public trust in the officials who uphold the law, and that trust begins with knowing that they have been selected for their honesty and potential, and trained to be fair and competent.

Prospects for expanded multilateral anti-crime and anti-drug cooperation are improving. This was reflected in the successful outcomes of the UNGASS and Summit of the Americas. To be credible, however, these multilateral processes must set high targets that reflect the most that countries can achieve by acting together. State will continue to play a key role in advancing the Summit of the Americas and UNGASS action plans, particularly in the areas of reducing illicit drug crop cultivation, combating money laundering, controlling precursor chemicals, and investigating and prosecuting the leaders of all types of organized crime.

State contributed to the President's International Crime Strategy that commits State to several new initiatives requiring high-level support and adequate funding. That strategy includes the global "nowhere to hide" initiative centered on new and improved extradition agreements, and attacks on financial, trade, and emerging crimes such as trafficking in women and children, and high-tech and intellectual property rights crimes. We will seek to expand membership of the Financial Action Task Force, created by the G-7 in 1989, and take other steps to strengthen international efforts against money laundering.

We will work to make our anti-drug and anti-crime public diplomacy efforts more effective to ensure that more host nation elites and opinion makers speak out against the drug and crime threats, and that the general public in these countries grows less responsive to trafficker propaganda and more supportive of the government's anti-drug and crime programs. The recent turn around in Bolivian public opinion against illicit coca cultivation underscores the value of effective public diplomacy. We will also promote greater involvement by non-governmental organizations (NGOs) and U.S. firms operating abroad in drug awareness and prevention programs.

The State focus in combating terrorism is promoting international cooperation to prevent terrorism, curbing terrorist financial resources, training other governments, and promoting the Counterterrorism Rewards Program. We will work to keep pressure on state sponsors of terrorism to deter them from supporting specific acts of terrorism as well as terrorist groups. We will continue to urge European and other exporters to control transfers of dual-use and military equipment goods and services to terrorism list states and to encourage all countries to enforce already existing multilateral measures against Libya and Iraq.

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The Antiterrorism Assistance program conducted by State trains officials of friendly governments to cope with terrorist threats. We are developing new courses to assist those countries in countering weapons of mass destruction and terrorist fund raising. An interagency Technical Support Working Group, led by State, provides funding and a coordinating mechanism for research on a variety of projects to help detect terrorist weapons and give authorities additional technology to deal with hostage situations.

State manages the Counterterrorism Rewards Program which provides up to \$5 million to nongovernment persons who provide information leading to the arrest or conviction in any country of someone who has committed or is about to commit a terrorist act against U.S. interests, or someone who prevents such an act from occurring.

AREAS OF FOCUS IN FY 1999 AND FY 2000

- Law Enforcement as a Priority for Every Nation

Significant foreign political will to combat transnational organized crime, backed by funding for effective programs, is central to minimizing the impact of crime on the United States and its citizens. No amount of effort by a single country can have a lasting impact. Only concerted international cooperation will get the results we seek. Countries must be made to understand that transnational organized crime threatens every aspect of social, political, and economic life, leading them to adopt crime control as a top national security concern. To this end, State will deploy broad diplomatic efforts, including public diplomacy, using public and law enforcement fora to increase foreign commitment, to convince countries to do more on their own, and to encourage them to seek effective coordination with other countries to address the transnational organized crime problem.

- Training and Technical Assistance

International cooperation on criminal justice issues is key to stemming the tide of international crime. State draws upon the expertise of federal, state, and local law enforcement and judicial agencies and non-governmental organizations to provide criminal justice sector training, equipment, and technical assistance around the world. The program emphasizes combating the full range of transnational organized crimes, especially financial crimes and illegal drug, alien, and weapons trafficking. Training and technical assistance programs have the added value of facilitating partnerships between U.S. and foreign law enforcement officials.

State will furnish the training to improve foreign judicial officials' understanding of criminal procedures, including forfeiture of drug trafficker assets. This will strengthen the judiciary's ability to resist trafficker corruption and to prosecute major cases successfully. State will continue to strengthen law enforcement efforts against the major organizations that target the United States. These programs will improve

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the ability of law enforcement officials in key countries to conduct drug trafficking and money-laundering investigations, to interdict shipments of drugs and precursor materials, and to trace and to seize the proceeds of crime.

- **Criminal Justice Cooperation**

Cooperation among the various elements within criminal justice sectors is critical to successfully detecting, arresting, and prosecuting criminals. State will continue its strong partnership with the law enforcement agencies of the Departments of Justice and Treasury to ensure the continued success of criminal justice programs abroad. State will lead the effort to export the interagency cooperation model for crime prevention and criminal investigations through public awareness and training programs.

- **Multilateral Cooperation**

Multilateral cooperation complements bilateral efforts to effectively combat transnational crime. In December 1996, the UN General Assembly adopted the International Declaration on Crime and Public Security, the comprehensive international strategy on combating the threat of transnational crime. State works with international groups such as the UN Commission on Crime Prevention and Criminal Justice, the EU, the Financial Action Task Force, the G-8 Lyon Group (international organized crime experts), and the Organization of American States. State will support their initiatives by providing training and technical assistance to member states, especially newly democratic states.

Seeking allies among like-minded states whose governments are also concerned about use, production, and trafficking in drugs is essential for gaining support for U.S. positions in international fora. Efforts to attack the heroin trade are complicated by security and political barriers that limit our access to the major opium and heroin producing countries – Burma and Afghanistan. State's efforts regarding those countries must necessarily focus on working through diplomatic and public channels to boost international awareness of the expanding heroin threat. State, therefore, will encourage multilateral institutions to focus their assistance in such areas where the United States is unable to deliver assistance bilaterally. State will continue to work closely with the United Nations Drug Control Program (UNDCP) and monitor its programs carefully to ensure that they remain responsive to U.S. policy objectives.

The fight against terrorism also requires the active involvement of the international community. The 25 global counterterrorism measures offered at the July 1996 Paris Ministerial and other steps proposed in other multilateral fora, such as the November 1998 Organization of American States meeting, are essential elements in the international response to terrorism. State will continue to work through the United Nations to urge other countries to become party to the international legal

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conventions against terrorism, and to elaborate new conventions as needed, such as the International Convention on the Suppression of Terrorist Bombings.

- Drug Enforcement and Alternative Development

Drug abuse in America is one social scourge that our improving economy cannot cure by itself. Drug abuse statistics show that the illicit U.S. drug market remains volatile and attractive to international suppliers. The Office of National Drug Control Policy estimates that Americans spend \$57 billion a year on illicit drugs; that health and other social costs of drug use to American society is another \$67 billion annually; and that some 14,000 Americans died from drug-induced causes in 1997. Increased foreign production and trafficking of synthetic drugs such as methamphetamines is further complicating international narcotics control efforts. State will continue to focus on cooperation with the key coca-producing countries (Bolivia, Peru, Colombia) and opium-producing countries (Laos, Pakistan, Thailand, Colombia, and Mexico) to implement comprehensive enforcement and alternative development programs to achieve and sustain net reductions in coca and opium cultivation. State will also focus on drug interdiction and combating money laundering in the Caribbean, Mexico, and Central America.

- Aid to Countries in Jeopardy

Often, those countries that play the most critical roles in furthering international drug problem are the ones least capable of responding. Their law enforcement institutions are too weak to resist rich and violent drug syndicates, and their economies too weak or small to generate alternative income for drug producers. Once in place, crime syndicates quickly secure their position through corruption and intimidation. Their strategic attacks on the rule of law, and effective corruption of democratic and free market processes – as seen, for example, in Russia, Colombia, Mexico, Nigeria, South Africa, and Pakistan – erode the very foundations for building stable states, putting our entire range of foreign policy interests at risk. State's efforts will focus on the countries most in jeopardy. In particular, we will provide technical experts to assist in drafting legislation and regulations to implement strong narcotics control legislation that complies with the 1988 UN Drug Convention.

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- Sanctions Against Sponsors of Terrorism

State sponsors of terrorism must understand that the world will not allow them to continue their activities. We want Iraq, Libya, and Sudan to comply with all relevant UNSC resolutions. State will cooperate with other governments and the UN to enforce the sanctions against them, thereby pressuring them to comply.

- Antiterrorism Assistance Program

Even the most committed government cannot control terrorists without its officials having the proper training and equipment. The United States is well positioned to leverage our own anti-terrorism efforts by helping others enhance their capabilities. State will improve the anti-terrorism skills of foreign civilian law enforcement officials in high priority countries by providing effective Antiterrorism Assistance program (ATA) courses.

- Mutual Legal Assistance Treaties

International cooperation to bring terrorists to justice requires a comprehensive legal framework. State will improve governments' ability to work together by concluding and ratifying Mutual Legal Assistance Treaties (MLATs) and extradition treaties with high priority countries.

- Counterterrorism Rewards Program

In many cases governments must rely on information provided by individuals to bring terrorists to justice. The Counterterrorism Rewards Program, which solicits information about past or potential perpetrators of terrorist attacks against U.S. interests, is highly successful. State will continue to aggressively seek information worldwide through this program.

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STRATEGIC GOAL: *Minimize the impact of international crime on the United States and its citizens*

STRATEGIC GOAL: *Reduce significantly from 1997 levels the entry of illegal drugs into the United States.*

OUTCOME DESIRED: Foreign governments have the political will and institutional capabilities to conduct more effective programs to combat international organized crime and to reduce the production of illicit drugs and their flow to the United States.

PERFORMANCE GOAL: State will train foreign governments in the methods and techniques of combating international crime and drug trafficking.

STRATEGY



The overall problem of international crime, including drug trafficking, poses serious threats to U.S. national security. It endangers the health and safety of our people, inflicts enormous economic and social costs on our society, and threatens the political and economic stability of many countries important to us. The transnational nature of the crime problem requires an international response. Many countries, however, lack the political will or institutional capabilities to respond adequately. We will seek to use the full range of diplomatic, foreign assistance, and operational tools to overcome these barriers and minimize the effects of organized crime and drug trafficking on our society.

To the extent possible, we will attack the international drug and crime problems at their source. With respect to narcotics, this means focusing on eliminating, through alternative development, eradication, and other law enforcement measures, the illicit cultivation of coca, opium poppy, and cannabis crops that supply the U.S. market. We will similarly work through bilateral and multilateral channels to stop smuggling and destroy leading international crime organizations that threaten our domestic and foreign interests. State initiatives in this regard include providing training and technical assistance to strengthen foreign security and judicial institutions so that they can interdict illegal operations, and identify and successfully prosecute major crime figures. We will encourage multilateral organizations, such as the UN and the multilateral development banks, to commit more effort and resources to international narcotics and crime control

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when their programs can complement ours or lead to progress in key areas where our access is limited.

EXTERNAL FACTORS

- ✓ A wide range of complicated economic, social, and political problems compete for governments' attention and resources.
- ✓ International drug and crime control progress depends on U.S. leadership given the tendency of many governments to react to these threats rather than take steps to prevent them.
- ✓ International criminal organizations will strive to overcome law enforcement gains by changing their routes, methods, and operations.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

State will lead the effort to generate foreign political will and appropriate commitment of resources to reduce illegal narcotics production trafficking and abuse. We will be joined in that effort by USAID, ONDCP and USIA.

State will increase international awareness of the drug and crime threat to promote stronger political commitment to attack these problems.

It is necessary to strengthen the capabilities of anti-drug and anti-crime institutions to conduct operations that reduce the levels of narcotics production and trafficking, dismantle major international crime syndicates, and prevent the spread of transnational criminal activity. State will work with USAID, Justice, Treasury (including U.S. Customs), Transportation, and Defense to do this.

We will promote greater international drug and crime control cooperation to reduce the geographic and operational flexibility of international crime syndicates and increase the vulnerability of their leaders and operations to law enforcement measures.

INDICATORS, BASELINES, AND TARGETS

◆ **International training programs for foreign regulatory and law enforcement organizations to combat organized crime.**

FY 1998 Baseline: Approximately 8,000 foreign law enforcement officials trained.

FY 1999 Target: Establish an ILEA-East in Bangkok, Thailand and a permanent site for ILEA-South; develop national police training academies in the NIS. Enroll 9,000 foreign officials in law enforcement training programs. Expand training curricula to concentrate increasingly on new and emerging crimes such as cybercrime and trafficking in women. Promote networking among trained officials,

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reflected in their increased willingness to cooperate on transnational investigations against major organizations.

FY 2000 Target: Establish an ILEA in South Africa. Enroll 10,000 foreign officials in law enforcement training programs. Help countries establish their own national-level law enforcement training institutions.

Data source: Periodic Embassy reporting and agency assessment teams.

◆ **Foreign spending compared to public pronouncements of commitment to effective crime control efforts.**

FY 1998 Baseline: We are assessing law enforcement training needs for Eastern Europe, NIS, Africa and Asia, and developing program training plans to meet those needs.

FY 1999 Target: To use high-level fora (e.g., Gore-Kuchma and Gore-Primakov Commissions) to press issue of organized crime and law enforcement. The Vice President will host the International Conference on Fighting Corruption and Safeguarding Integrity Among Justice and Security Officials as called for by the Presidents International Crime Control Strategy of 1998. We will form law enforcement groups in each embassy whose purpose is to ensure that international crime is a major initiative in our bilateral relations; convene high level conferences where issues of organized crime and corruption lead the agenda; and promote use of multilateral bank assistance to increase spending for anti-crime and corruption initiatives.

FY 2000 Target: To use International Law Enforcement Academies (ILEA) to convene high level assessments of regional crime and corruption LE needs. We will implement Mutual Legal Assistance Treaties, auto theft treaties, and other such protocols, and foster exchange of information between LE organizations.

Data source: Periodic Embassy reporting and agency assessment teams.

◆ **Implementation of effective bilateral and international programs aimed at countering transnational organized crime.**

FY 1998 Baseline: State supports regional coalitions such as SECI and the Baltics Sea States Conference, OAS, ASEAN, etc., to emphasize anti-crime measures. We work through special issue regional organizations such as CFATF, ECOSAS and Asia Pacific Group for anti-money laundering programs.

FY 1999 Target: We will provide regional training programs for specific issues using federal, state, local and NGO organizations.

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We will support CFATF, SECI, ECOSAS and multilateral programs to combat international crime. We will organize regional conferences to attack the corruption aspect of organized crime.

FY 2000 Target: State will evaluate U.S. training programs vis a vis enhancing the effectiveness of LE organizations to fight organized crime. We will adjust training programs based on evaluations. We will coordinate initiatives with other major donor countries that support regional organizations against organized crime, money laundering and smuggling of contraband. We will support joint and regional operations that attack organized crime in Eastern Europe, the NIS, South East Asia, South America and South Africa.

Data source: Periodic Embassy reporting and agency assessment teams, selected scientific evaluations by academic institutions.

- ◆ **Governments intensify anti-narcotics public awareness campaigns; vigorously refute pro-narcotics propaganda with effective counter-claims; and, when confronted with credible evidence, take administrative and judicial action to punish corruption.**

FY 1998 Baseline: The international community strongly condemned the narcotics trade, and committed to more aggressive drug control action at the June UN General Assembly Special Session on Narcotics. UNGASS produced a series of action plans to guide efforts through 2008. Combating corruption is a core certification criteria of the Foreign Assistance Act. Corruption in the Western Hemisphere was also addressed at the April summit in Santiago where heads of state reaffirmed their commitment to ratify and implement the 1996 Inter-American Convention against corruption.

FY 1999 Target: Strengthen and emphasize public outreach programs to highlight the adverse social economic, and political effects of drug trafficking. Overcome tendency of international public opinion to blame the drug trade on demand by affluent countries by increasing public awareness in source and transit countries that controlling trafficking is in their interest also.

FY 2000 Target: Governments pass more stringent anticorruption laws and begin imposing harsher penalties for official corruption including; imprisonment, fines, demotions and dismissals.

Data source: Periodic Embassy reporting and end-of-year International Narcotics Control Strategy Report.

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STRATEGIC GOAL: *Reduce international terrorist attacks, especially on the United States and its citizens.*

OUTCOME DESIRED: Foreign countries will become full partners with the United States in countering terrorism.

PERFORMANCE GOAL: State will train foreign governments in methods and techniques of combating terrorism.

STRATEGY

International terrorism threatens American lives, property, and foreign policy interests. The threat continues to evolve, as new and often loosely knit radical groups emerge, engaging in massive terrorist attacks that overshadow many of the older groups. The willingness of some terrorists to commit suicide in order to kill as many persons as possible complicates efforts by security forces to take effective counter measures. Our goal is to minimize the frequency, severity, and impact of terrorist attacks, using a range of economic and diplomatic pressures, practical measures such as training, and enlisting the cooperation of other governments.

State will continue improving the capability of friendly countries to counter terrorist threats by providing antiterrorism training to their security officials. We will conduct exercises and readiness programs for U.S. personnel; develop new technologies to detect explosives, chemical and biological agents; and deploy interagency response teams and/or military forces overseas if appropriate. In countering the evolving nature of terrorism and potential attacks, we are adding to already existing courses by developing training programs and equipment against the potential terrorist use of weapons of mass destruction, and developing training courses and other methods for improving the ability of the international community to disrupt terrorist fund raising.



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EXTERNAL FACTORS

- ✓ Terrorists will continue to target U.S. officials, citizens, and facilities and those of friendly countries despite successes in countering attacks.
- ✓ International cooperation to oppose terrorism will continue to increase, although remain difficult in the areas of imposing economic and other sanctions against oil-producing terrorist states. "Sanctions fatigue," often reflecting commercial interests, remains an obstacle, and thus limits the pressures that can be brought to bear on state supporters to terminate their assistance to terrorists.
- ✓ Some terrorists will continue to enjoy verbal, political, and financial support from individuals who rationalize terrorism as necessary for their cause, requiring public diplomacy to help de-glamorize terrorists and government efforts to curb financial flows.
- ✓ Terrorists will become more technologically sophisticated.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

State will expand existing and begin new Antiterrorism Assistance (ATA) training programs to help strengthen the counter terrorism capabilities of friendly governments. The training supports the host country's ability to protect Americans living and working overseas as well as their own citizens. State's Coordinator for Counter Terrorism provides policy guidance, working closely with Diplomatic Security which implements the ATA program, often in cooperation with U.S.G. agencies such as the Federal Aviation Administration (FAA), the Federal Bureau of Investigation (FBI), and non-government training facilities which provide training facilities and instructors.

We work with the intelligence community and other countries to improve cooperative efforts to collect and analyze intelligence, to identify and deter potential terrorist attacks and, when that is not possible, to track down terrorists. Our bilateral contacts and multilateral meetings are useful for promoting this effort.

We have been countering fundraising and other financial support for terrorist organizations from non-governmental sources. State has taken the lead in encouraging other countries to strengthen their laws and regulations. Through a related new initiative funded through the FY 1999 emergency appropriation, State will work with other agencies to develop and conduct seminars and training programs to assist other countries in countering fund raising and money laundering by terrorists.

State will promote accession by other countries, including the Newly Independent States and Eastern European countries, to all eleven anti-terrorism conventions.

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State will also help other countries counter possible terrorist threats and use of weapons of mass destruction (WMD). State promotes WMD non-proliferation and adherence by foreign governments to relevant treaties and conventions. Toward that end, we will develop training courses for first responders overseas, senior foreign government officials, and American officials at U.S. missions abroad.

State provides leadership and policy coordination in deploying overseas on four hours notice Foreign Emergency Support Teams (FEST) to offer advice, support, and special counterterrorism capabilities. We work with host governments and U.S. intelligence, law enforcement, and other agencies such as Defense. Regular exercises as well as bilateral contacts, including those developed through our training programs with other governments, help hone this capability.

State works with foreign governments and U.S. law enforcement agencies to facilitate investigations of terrorists overseas. State assists U.S. investigative agents with on the scene investigations if permitted and/or to take custody of suspects. We coordinate the use of special aircraft to transport suspects who are subject to prosecution under U.S. law. Through our ATA program and other contacts, we encourage leadership of national police forces to understand and support U.S. investigative efforts to obtain evidence that will stand up in U.S. courts.

With State's leadership, the interagency Technical Support Working Group provides funding and a coordinating mechanism for research on a variety of projects to help detect terrorist weapons and give authorities additional technology to deal with hostage situations. State has directed the program into developing joint research projects with other countries, which in turn also contribute funds and technical resources.

INDICATORS, BASELINES, AND TARGETS

◆ **ATA Training to improve the capability of foreign governments to counter terrorism.**

FY 1998 Baseline:	Trained 1211 officials from 42 countries.
FY 1999 Target:	Train an additional dozen countries in existing courses such as explosives detection, protection of vital installations. Send evaluation teams to regions where expanded training is needed, such as Africa and the NIS, and begin training as appropriate.
FY 2000 Target:	Provide training to additional countries, continue programs with nations already participating or needing refresher courses.

Data source: Counter Terrorism Program Management Information System (CTPMIS).

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◆ **Training, seminars on countering terrorism fund raising.**

FY 1998 Baseline	No such program, but preliminary discussions were held within State and other agencies on concept of training programs to assist other countries to counter fund raising and financial transactions by terrorists.
FY 1999 Target:	Utilize supplemental appropriations funds to begin developing courses and seminars, begin initial course offerings, take part in interagency teams which help other countries deal with international criminal and narcotics money laundering.
FY 2000 Target:	Expand number of seminars and participating countries.
Data source: Counter Terrorism Main Line System (CTMI).	

◆ **Training to help counter Weapons of Mass Destruction.**

FY 1998 Baseline:	Preliminary discussions with nearly 20 countries which have expressed interest in assistance in coping with potential terrorist use of chemical, biological or nuclear agents.
FY 1999 Target:	Through the ATA program, develop and begin providing first responder training to priority countries. An estimated six countries could begin receiving training under the Supplemental funds. State will also develop and conduct seminars for senior level officials in crisis management of WMD incidents, and invite some to observe U.S. exercises.
FY 2000 Target:	Expand course offerings as funding permits for additional countries, also provide training for key U.S. security personnel.
Data source: Counter Terrorism Program Management Information System (CTPMIS).	

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NATIONAL INTEREST: DEMOCRACY

OVERVIEW

One of State's primary missions is to expand freedom in the world. This mission lies at the heart of America's post-Cold War foreign policy. Democracy contributes to each of the seven national interests in the State Strategic Plan:

- Promoting democracy and human rights serves our interest in **national security** because nations that adopt such principles are less likely to threaten their neighbors with political instability, terrorism or aggression.
- Promoting these principles serves our interest in **economic prosperity** because these nations are more likely to have open economies, trade fairly in the international market, and uphold international economic agreements.
- Promoting these principles serves our interest in the **protection of our borders and citizens abroad** because these nations are less likely to produce flows of illegal immigrants and more likely to practice the rule of law.
- Promoting these principles serves our interest in **law enforcement** because these nations are less likely to fall prey to transnational criminals and are more likely to cooperate in international efforts to apprehend these criminals.
- Promoting these principles serves our interest in **humanitarian response** because these nations are less likely to produce refugees and internally displaced persons and more likely to possess the governance capable of rapid response to natural disasters.
- And promoting democracy and human rights serves our interest in **global issues** because these nations are more likely to cooperate in multilateral initiatives to address the urgent problems of environmental degradation, over-population and disease.

In sum, the pursuit of democracy and human rights serves not only our values, but our security and prosperity as well.

GOAL

Over the next two fiscal years, State will continue to focus on the following strategic goal:

- *Increase foreign government adherence to democratic practices and respect for human rights.*

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STRATEGY

This strategic goal can be divided into three parts. First, we seek to deter human rights abuses and spotlight gross violations. Second, we seek to facilitate democratic transitions and consolidate new democracies. Third, we seek to advance core worker rights and to strengthen independent trade union movements. In each of these three areas, we employ the following means to pursue our objectives: bilateral and multilateral diplomacy; bilateral and multilateral assistance programs; and reports and outreach to Congress, non-governmental organizations (NGOs), and the American and foreign publics.

- Protecting Human Rights

State's most basic tool in protecting human rights is to tell the truth – in our human rights investigations, reports on country conditions, and asylum profiles. We also speak up for fundamental rights and freedoms, including the right to democratic government; the right to freedom of speech, thought, conscience and religion; the right to work without exploitation; economic, social, and cultural rights; and the rights of women, children and the disabled. We support core human rights principles: the universality of human rights; consistency in our support for human rights and democratic institutions; accountability to redress past human rights abuses; a commitment to address ongoing abuses through an inside-outside approach that combines tactics of internal persuasion with tools of external sanction; early warning and preventive diplomacy to prevent future abuses; and democracy building that will promote the rule of law by seeking to internalize global norms into domestic law.

- Building Democracy

State provides oversight and coordination of the U.S. Government's approximately \$1.3 billion annual democracy-building budget. This budget includes funds from the following accounts: Economic Support Fund, Development Assistance, Support for Eastern European Democracy, FREEDOM Support Act, International Organizations and Programs, International Military Education and Training, and Diplomatic and Consular Programs. The assistance programs funded by these accounts span State, USIA, USAID, Defense, Justice, the Peace Corps, the National Endowment for Democracy, and The Asia Foundation. The programs assist in the building of the institutions of government and civil society in new democracies – including constitutions; free and fair elections; political parties; executive, legislative and judicial branches of central governments; regional and local governments; advocacy NGOs, trade unions and media; law enforcement; and civilian-directed militaries. State oversees and coordinates these programs through participation in the review of Mission Performance Plans, country strategies, performance reports, and resource requests.

- Advancing Core Labor Standards

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State promotes international respect for core labor standards – especially freedom of association, the right to organize and bargain collectively, abolition of forced and child labor, and non-discrimination in employment. We focus our attention on countries where acute labor problems have arisen and on international institutions such as the International Labor Organization (ILO), the World Trade Organization (WTO), and the Organization for Economic Cooperation and Development (OECD). And we promote corporate-union partnerships on worker rights.

AREAS OF FOCUS IN FY 1999 AND FY 2000

- Human Rights

Accountability:

Promote fair outcomes in the Pinochet case and Cambodia.

Support work of Bosnian and Rwandan War Crimes Tribunals.

Address obstacles to U.S. signature of the International Criminal Court Treaty.

Standard Setting:

Promote ratification of Convention on Elimination of Discrimination Against Women.

Show leadership on UN and OAS Declarations on Indigenous Peoples.

Promote economic social & cultural rights, especially right to food.

Coordinate compliance of U.S. entities with international standards.

Halting Current Abuses:

Use “inside-outside approach,” combining external pressure and internal persuasion, to address abuses in China, Cuba, Sierra Leone, Liberia, DROC, Algeria, Pakistan, Sri Lanka, and Turkey.

Focus on women and children: Afghanistan, trafficking, and child soldiers.

Preventive Diplomacy:

Support peace processes in Kosovo, Colombia, and Guatemala.

Support democratic transitions in Indonesia and Nigeria.

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Develop strategy of promoting religious reconciliation and conflict resolution, with initial focus on abuses in Sudan, Bosnia, and Indonesia.

- Democracy-Building

Entrench the concept of a right to democratic governance.

Use democracy-building tools in Indonesia, Ukraine, Nigeria, Colombia, Guatemala, the Federal Republic of Yugoslavia, Iraq, and Cuba.

Prevent democratic backsliding in Haiti, Bosnia, and countries damaged by Hurricane Mitch.

Support the right of democratic participation in China, Cuba, and Burma.

Promote the right to electoral participation by typically disenfranchised communities, including minorities and women.

- Core Labor Standards

Expand corporate-union alliances on codes of conduct beyond the existing Apparel Industry Partnership to address prison, child and sweatshop labor in the footwear, carpet, and other industries.

Secure ratification of ILO Convention #111 that bans discrimination in employment on grounds of race, religion, and gender.

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STRATEGIC GOAL: *Increase foreign government adherence to democratic practices and respect for human rights.*

OUTCOME DESIRED: New democracies hold free and fair elections.

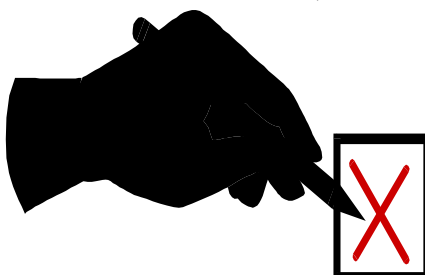
PERFORMANCE GOAL: State will provide support for governments and non-governmental organizations to hold free and fair elections.

STRATEGY

Over the last decade, indigenous forces in Central Europe, Latin America, and parts of Asia and Africa have succeeded in pressuring their governments to democratize by demanding more political rights, less arbitrary rule, and free elections. U.S. diplomacy and assistance programs have supported this process, promoting not only elections, but also the creation of legislatures, judiciaries, executive agencies, independent media, trade unions, and a plethora of non-governmental organizations.

Our assistance is based on the recognition that democratization is a long and complex struggle, one constantly marked by advances and setbacks. We further recognize that while elections are only one part of the process of developing democratic culture, they are nevertheless the defining characteristic of democracy. That is why the United States devotes a considerable share of its diplomatic energy and assistance funds on promoting free and fair elections in new democracies around the world.

State and USAID work together to conduct pre-election assessments; train election commissioners, elected officials, poll watchers, and local and international observers; buy and produce election equipment from ballot boxes to the ballots themselves; help governments and citizens develop civic education programs; and plan how to protect and count the ballots as quickly as possible. It is a big job – transferring skills and new values – for which many transitional countries are minimally prepared. Because we strive to support electoral events as part of a broader political picture, pre-election and post-election assistance is also emphasized as part of a long-term strategy to ensure that reforms are sustainable. Therefore, we focus on strengthening



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electoral commissions, political parties, civic groups, and newly elected government bodies in order to promote long-term institutional development.

EXTERNAL FACTORS

- ✓ The consolidation of new democracies is a process that is necessarily long, complex, and fraught with temporary setbacks.
- ✓ Countries undergoing transitions from totalitarianism are particularly fragile and susceptible to failed democratization.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

During the next two years, State will focus on scheduled elections in the following countries:

- Africa: Nigeria, Ghana, South Africa, Uganda and Zimbabwe.
- Western Hemisphere: Argentina, Chile, El Salvador, Guatemala, Panama, Uruguay, Haiti, Mexico, and Peru.
- East Asia and the Pacific: Indonesia, Thailand, and Mongolia.
- Europe: Bosnia, Kosovo, Albania, Slovakia, and Croatia.
- New Independent States: Ukraine, Russia, Azerbaijan, Armenia and Georgia.
- Near East: Algeria, Yemen, and Morocco
- South Asia: Sri Lanka and Nepal

INDICATOR, BASELINE, AND TARGETS

◆ **Elections in priority countries judged “free and fair” by independent election observers and the international community.**

FY 1998 Baseline: Assessment of most recent elections in the priority countries.

FY 1999 Target: Improved assessment in at least half of the priority countries.

FY 2000 Target: Improved assessment in at least half of the priority countries.

Data Source: Independent election observers, international organizations, and post reporting.

NATIONAL INTEREST: HUMANITARIAN RESPONSE

OVERVIEW

Large refugee movements across borders and populations displaced within their own national borders have occurred throughout this decade. These have resulted from both natural disasters and man-made emergencies such as social and political unrest. State is one of the principal agencies of the U.S. Government that seeks to lessen the impact of these emergencies on the world population. We work with a variety of international organizations to prevent or minimize the human costs of conflict and natural disasters.

Humanitarian assistance to refugees and displaced persons supports a fundamental American value of reducing human suffering. The United States offers assistance as well as international leadership to help alleviate human suffering from crises, man-made or natural, many of which affect U.S. regional security interests direct or indirectly. Swift and effective response to disasters can also promote regional stability by stemming cross-border flows of refugees and removing impediments to economic development. It can also minimize the risk of direct U.S. military involvement and build respect and appreciation for the United States in the international community.

Humanitarian programs have strong, bipartisan support in Congress. Experience has shown that when disaster strikes, the American people expect their government to react to aid the victims of crises.

GOAL

Over the next two years, State will continue to focus on the following strategic goal:

- *Prevent or minimize the human costs of conflict and natural disasters.*

STRATEGY

The United States will provide the protection that is guaranteed under international law for refugees, torture victims, and non-combatant conflict victims, and will pro-actively promote protection for those in need worldwide. We stress the importance of education for women and girls in recognition of the overall impact that it will have on their futures and on the development of their countries upon repatriation. We look to develop better means of protecting refugees and conflict victims from abuses which occur at heightened rates in those populations, including sexual violence and other threats to physical security. We will continue to remain the leaders in international resettlement efforts as an important tool in securing effective refugee protection.

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State works with Justice to ensure that U.S. law and its implementation are in compliance with international protection standards, which we have negotiated or to which we have agreed. We work to promote a balance between the law enforcement elements of migration (the interests of the state) with the protection aspects (the interests of the individual).

We will work to curb the phenomenon of child soldiers by disseminating best practices from individual efforts for rehabilitating child soldiers. We will seek to achieve broad implementation of the United Nations High Commissioner for Refugees (UNHCR) Guidelines on the Protection and Care of Refugee Children. We promote support for sufficient economic opportunities or assistance to reduce the likelihood refugee women, girls, and boys turn to prostitution in order to support their families.

The United States, in cooperation with international organizations and other donor nations, will push for post-conflict resolution and the establishment of conditions, such as linking relief to development, that will encourage safe, voluntary, and sustainable repatriation. The United States will support both spontaneous and organized voluntary repatriations.

State works with the following agencies to accomplish these objectives: USAID, the United Nations, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), UNHCR, the International Organization for Migration (IOM), the United Nations Human Rights Commission (UNHRC), the World Food Program (WFP), United Nations Children's Fund (UNICEF), the United Nations Relief and Works Agency (UNWRA), Federal Emergency Management Agency, NASA, National Imagery and Mapping Agency, the Peace Corps, Defense, and USIA. Additionally, many non-governmental organizations (NGOs) are major players in this goal.

AREAS OF FOCUS IN FY 1999 AND FY 2000

- International

Protection: The State Department will urge refugee-hosting countries to continue to provide asylum until repatriation or resettlement becomes a viable solution. We will support the public dissemination of humanitarian principles and increase the number of states which have in place effective regimes for providing legal protection to refugees and preventing their forcible return to a country where they might face torture or persecution.

Crisis Response: State will support international and non-governmental organizations' efforts to provide timely and effective emergency relief. We will help to develop long-term programs that will ultimately lead countries away from dependence on humanitarian assistance and toward self-sufficiency. We will seek improved use and sharing of information related to natural disasters and complex humanitarian emergencies in and between international organizations. We continue to seek improved UN

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coordination of humanitarian issues through OCHA. Also through a continuous process of interaction with key humanitarian agencies (UNHCR, IOM, WFP, ICRC, and UNICEF), we will promote greater communication of multilateral humanitarian assistance efforts and improved operations of humanitarian agencies.

Demining: The State Department will continue to promote all aspects of humanitarian demining conducted in conjunction with refugee repatriation and reintegration programs of UNHCR and other relevant organizations. We will advocate the reduction in the number of landmines and reduce the number of civilians killed or injured by mines worldwide.

Voluntary Repatriation: The Department will promote voluntary repatriation planning done on both sides of the borders to incorporate the needs of the returnees as well as the local population so that the entire community is able to adapt to the migration. We will support repatriation planning designed to link with existing or foreseen development programs in the country of origin, including both relief and development agencies.

Women and Children: We will continue our initiatives to achieve the broadest possible implementation of UNHCR Guidelines on the Protection and Care of Refugee Children and Guidelines on the Protection of Women in the programs of international organizations, their implementing partners, and U.S.G.-funded agencies.

The United States requires a reliable system of early warning of crises caused by natural or man-made events. We are undertaking efforts with the White House, various federal agencies, and international organizations so that information sharing and early warning capabilities can be improved, both within the U.S.G. and within the international community.

Refugee Resettlement: State will work to make U.S. admissions more responsive to critical refugee “rescue” needs and less dominated by large family reunification programs.

- **Africa**

State and diplomatic posts will support improvement of African institutional and staff capacities to prevent, mitigate, and respond to crises. We will explore the potential to expand successful programs, which demonstrate an impact on preventing and/or mitigating crises in other war-torn areas of Africa. State will reinforce the framework of the Greater Horn of Africa Initiative (GHAI) and seek greater cohesion among member states and donor countries for its activities.

State, through our African posts, will continue working toward a successful and sustainable repatriation and reintegration of refugees and the internally displaced into Liberia.

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The Department will promote internationally accepted minimum standards of care are met for assisted conflict victim and refugee populations.

African Posts will actively work to expand basic education opportunities for refugees, especially women and girls.

- East Asia and Pacific

The United States, through the workings of the State Department, will obtain the fullest possible accounting of POW/MIAs in Vietnam, Laos, North Korea and Cambodia. We will also seek to obtain Chinese cooperation on Korean War POW/MIA cases.

Through international agency and NGO programs, we will provide food and health care to refugees and asylum seekers. State will seek to provide a permanent presence for UNHCR on the Thai-Burma border. We support restoration of an International Committee of the Red Cross presence in Burma to aid returning refugees and migrant workers.

The United States, working through State, seeks to reduce the time frame for completely demining Cambodia to 15 from 25 years. We will promote the demining of Mongolian military bases to rehabilitate them for civilian uses. We will seek to obtain greater international contributions to efforts to help remove land mines from Southeast Asia. The Department is working to accelerate the process of unexploded ordnance removal in Laos.

State will cooperate with Japan to provide emergency assistance. We will help to improve Japanese and third country disaster planning, and support rehabilitation and recovery efforts. State will coordinate with Japan the provision of timely foreign disaster relief. State will work with Japan to develop a Pacific Rim relief network. We will seek the strengthening of earthquake, oil spill, and other official development assistance cooperation under the U.S.–Japan Common Agenda for cooperation on global issues.

The United States, through the Department, will support efforts to reintegrate Burmese refugees, returned migrants, and the internally displaced equitably. We will also support international efforts to repatriate refugees (e.g., Cambodian refugees living in Thailand, etc) and ensure that the movements of displaced persons are tracked and make interventions on behalf of those needing protection and asylum.

State will support the provision of medical assistance by advancing the establishment of a nationwide prosthetics and mental health counseling capability in Cambodia; promoting aid to war victims in Vietnam; enhancing the medical capability of provincial hospitals in Laos by providing equipment and construction assistance.

- Europe

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State, on behalf of the United States, will support the delivery of humanitarian commodities to those in most need within the Newly Independent States. We will urge the continuation of Operation Provide Hope and the continuation of dialogue and deepening engagement with countries in the region regarding humanitarian assistance, including cooperation with international NGOs on refugee assistance. The Department will support non-governmental organization in the building of a strengthened civil society.

The Department will continue to support peace-building, ethnic pluralism and the return of refugees and displaced persons in the Former Yugoslavia. We will provide assistance to the international community's joint efforts to facilitate minority return in Bosnia-Herzegovina. The Department will support the humanitarian component of the Kosovo peace plan through assistance to internally displaced persons (IDP's) and refugees.

The United States will provide assistance to needy victims of the Holocaust, particularly those victims who have received no compensation or assistance. State will work to complete the steps for the initial contribution of the United States to the newly established international Nazi Persecutee Relief Fund (NPRF) and arrange for further contributions. We will work to secure the contribution by Claimant States of the value of the remaining gold in the Tripartite Gold Commission (TGC) Pool to the NPRF. Promote historical research and education on Holocaust related issues, including the convening of an international conference on Holocaust asset issues in Washington.

- Western Hemisphere

State will strengthen mechanisms to work more effectively with Mexican and Canadian authorities in responding to human conflicts and natural disasters in this region. The Department will assure continued bilateral and multilateral support to the Central American and Caribbean countries ravaged by Hurricanes Mitch and George, while ensuring a long-term U.S. commitment in the region to reconstruction, economic growth, and political stability.

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- Near East

The United States will continue to provide humanitarian aid in the areas of education and health to the over three million Palestinian refugees assisted by the UN Relief and Works Agency (UNRWA).

State, through our overseas posts, will assist humanitarian migration to Israel from selected countries, primarily the former Soviet Union.

- South Asia

The United States, through the Department of State, will continue to support the United Nation's common programming strategy for assistance to Afghan refugees, displaced persons, and conflict victims, with a special focus on programs that assist women and girls.

We will continue to promote the settlement of disputes between Nepal and Bhutan and between Bangladesh and Burma that have stranded thousands of refugees in camps along their borders, and urge fair treatment and proper care for all refugee populations.

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STRATEGIC GOAL: *Prevent or minimize the human costs of conflict and natural disasters.*

OUTCOME DESIRED: The impact on refugees and other victims of conflict and natural disaster will be lessened.

PERFORMANCE GOAL: State will improve humanitarian response mechanisms.

STRATEGY

The United States will advocate effective and efficient humanitarian response to assist victims of conflict and natural disasters. It will remain the leading national donor to humanitarian assistance efforts by international and non-governmental organizations (NGOs), providing a “fair share” 20-30 percent of total contributions to these efforts. It will actively promote protection for refugees and conflict victims, including the possibility of resettlement in the United States of those persons most in need of rescue. The United States, in cooperation with other governments and international organizations, will push for post-conflict resolution and the establishment of conditions that will encourage safe, voluntary and sustainable return of refugees and displaced persons.

The United States requires a reliable early warning system for crises caused by natural or man-made events. State is undertaking efforts with other federal agencies, international organizations, as well as NGOs to improve information sharing and early warning capabilities, both within the U.S. Government and the international community.



Specifically, we seek improved use and sharing of information, in and between international organizations, related to natural disasters and complex humanitarian emergencies to protect our National Security interests. Regional security, Global Issues, and Economic Prosperity are enhanced through regional stability. We are seeking improved coordinated humanitarian assistance through the UN’s Office for the Coordination of Humanitarian Affairs and are promoting greater coordination of multilateral humanitarian assistance efforts and improved operation of humanitarian agencies.

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We will utilize refugee and migration assistance funds to implement improved refugee resettlement programs as well as to provide emergency food, shelter, and medical care where necessary. We will facilitate closer cooperation between USAID and the European Commission through the New Transatlantic Agenda. We will work together with our European Union partners to coordinate assistance efforts and bring shared concerns to the attention of relevant UN bodies dealing with responses to such crises.

EXTERNAL FACTORS

- ✓ Disasters and conflicts will continue at the increasingly high level of recent years and will continue to cause hardship and suffering for the world population.
- ✓ Most humanitarian assistance will flow through international organizations and NGOs.
- ✓ Countries in the world will seek the assistance of the United States.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

State and U.S. embassies and consulates will make clear in public and private fora that humanitarian assistance and effective international protection to refugees and displaced persons supports a fundamental American value of reducing human suffering. Effective humanitarian response improves regional stability, removes impediments to economic development, minimizes the risk of direct U.S. military involvement, and builds respect and appreciation for the United States in the international community.

We have identified initiatives in the following areas: (a) meeting basic international **standards of care** for the beneficiaries of our programs, (b) working to assist other governments to establish adequate **legal protection** regimes while we address the physical security not only for refugees and conflict victims, but for humanitarian workers, (c) assuring basic **education** opportunities for refugees worldwide, especially for women and girls, (d) expanding our **migration** activities in the areas of protection of vulnerable migrants and support for regional migration dialogues, (e) increasing our consultation and coordination of **planning with other donors** and the international organizations, and (f) making our **resettlement** program more flexible to enable us to respond to cases in immediate need of resettlement as a means of protection.

We will use information technology to foster collaboration. Data access will increase State's ability to evaluate and act on all available early warning information. Using this shared information, we hope to strengthen the coordination with key European Union member states on humanitarian assistance, particularly in Central and West Africa. Additionally, the Office for the Coordination of Humanitarian Affairs was created in the United Nations to develop and coordinate UN policy on humanitarian issues; to advocate humanitarian issues within the Security Council and other political organs; and to coordinate humanitarian emergency response. We will encourage this Office to brief the

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Security Council regularly, to hold regular briefings with humanitarian donors, and to refine the consolidated appeal process.

Agencies involved with State toward this goal include: the United Nations, the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations High Commissioner for Refugees (UNHCR), the International Organization for Migration (IOM), the International Committee of the Red Cross (ICRC), the United Nations Relief and Works Agency for Palestinian Refugees (UNWRA), the United Nations Human Rights Commission (UNHRC), World Food Program, the United Nations Children's Fund (UNICEF), Federal Emergency Management Agency (FEMA), Defense, USAID, the Peace Corps, NASA, National Imagery and Mapping Agency (NIMA), and USIA. Additionally, NGOs will be major players in this goal.

INDICATORS, BASELINES, AND TARGETS

♦ **Minimum food, water, and shelter needs are met for the vast majority of a displaced population within 15 days of a mass population movement.**

FY 1998 Baseline: International humanitarian agencies and NGOs are generally doing a good job of responding to new emergencies, but clear guidelines and programming standards for meeting minimum needs are not being universally implemented. A group of international NGOs, with the participation of many international organizations and the support of the U.S.G., have initiated a standards-setting exercise (the "SPHERE" project) which will establish sectoral standards and organizational best practices that we expect will become the norm for humanitarian assistance.

FY 1999/2000 Target:

Successful: SPHERE standards have been completed, widely disseminated, and are used as the basis for programming prompt assistance to affected populations in the vast majority of humanitarian emergencies.

Minimally effective: SPHERE standards have been completed and generally effectively implemented in several of the largest and most important complex emergencies.

Unsuccessful: SPHERE standards or an acceptable alternative are not widely accepted as the basis for meeting minimum humanitarian needs and international response to emergencies is uneven, resulting in standards of care below the current baseline.

Data source: International Organization and State/USAID humanitarian assistance reporting.

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♦ **Use and sharing of information related to natural disasters and complex humanitarian emergencies at the United Nations and other international organizations.**

FY 1998 Baseline: The UN has established information sharing and early warning capabilities (e.g., FEWS, HEWS, Relief Web, and IRIN). While frequently successful in facilitating collaboration to relieve the aftermath of natural disasters and conflict, these are often criticized for not being utilized to generate timely or appropriate anticipatory action to prevent conflict.

FY 1999/2000 Target:

Successful: (1) A more comprehensive information sharing decision support mechanism is put in place linking humanitarian and political data and analyses. (2) ReliefWeb expands coverage of natural disasters and complex humanitarian emergencies. (3) Network of disaster centers designed and international funding sought. (4) Natural Disaster Early Warning System will go on-line. (5) REMAPS will be run as an experiment in FY1999 and distributed as a standard mapping tool for field staffs in FY2000. (6) Regulatory barriers to the provision of telecommunications in disasters will be reduced. (7) Relief information will be distributed to remote sites by CD-ROM. (8) Peacewing will be used to develop disaster relevant imagery for relief agencies.

Minimally effective: Current information sharing resources and level of use remain the same.

Unsuccessful: Fewer information sharing resources exist and level of use declines.

Data source: International Organization documentation and after-action reporting.

NATIONAL INTEREST: GLOBAL ISSUES

OVERVIEW

State is the focal point for foreign policy formulation and implementation for global issues including: sustaining global environments, stabilizing world population growth, and protecting human health and reducing the spread of infectious disease. State works closely with other U.S.G. agencies, U.S. universities, non-governmental organizations (NGOs), and private citizens to formulate U.S. foreign policy on environmental, science, and technology (EST) issues.

GOALS

Over the next two years, State will continue to focus on the following strategic goals:

- *Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.*
- *Stabilize world population growth.*
- *Protect human health and reduce the spread of infectious diseases.*

STRATEGY

To meet the above goals, State draws upon domestic and international resources to:

- Encourage foreign governments to take actions consistent with specific U.S.G. objectives;
- Coordinate U.S.G. interagency efforts to identify and address environmental threats;
- Negotiate and implement bilateral, regional and global agreements and other cooperative activities which promote economic prosperity and proper resource management;
- Facilitate the transfer of technical, financial and other resources to foreign governments and international agencies to conduct operations supporting U.S.G. objectives;
- Ensure that science and technology inform the policymaking process; and
- Educate foreign publics and NGOs.

The areas in which these activities are focused include:

- Ozone depletion and climate change;
- Toxic chemicals;
- Conservation and sustainable management of terrestrial and ocean resources;

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- Infectious diseases;
- Science and technology cooperation;
- United States access to space and oceans; and
- Regional environmental initiatives.

To accomplish these goals, State engages in a broad range of multilateral, bilateral, and regional activities.

- Multilaterally

Global environmental problems, such as climate change, the flow of toxic chemicals and pesticides, species extinction, deforestation and marine degradation respect no border, and threaten the health, prosperity, and security of all Americans. Many nations have contributed to their causes, and they can be addressed effectively only if the nations of the world work together, adopting and implementing policies that are results-oriented. To address these issues, State works in several international fora, such as the UN, to reach agreements that support U.S.G. interests. Often, this means building upon our bilateral and regional relationships to move forward environmentally and economically sound foreign policies.

- Bilaterally

In many cases, the United States can achieve our objectives by working individually within one or more specific countries. Examples include agreements with Canada on Pacific Salmon, with China to increase energy efficiency, Brazil to introduce Clean Development Mechanisms in Climate Change negotiations, and Japan on the Common Agenda. These bilateral activities address critical environmental issues while developing relationships that support U.S. efforts in international fora.

- Regionally

Adding a regional approach to our bilateral and multilateral environmental efforts is critical to the advancement of U.S. foreign policy interests. Countries, especially in the developing world, face a series of complicated and inter-related transboundary environmental challenges that cannot be solved through either global or individual efforts. These issues (such as air quality, water and energy resources, land use, and urban/industrial growth) can either contribute to political and economic tensions, or be a source of potential regional cooperation and integration. Only when countries and regions have begun to tackle their immediate problems, will they then be freer to devote time and resources to the long-term global challenges. To help address these issues, we are working bilaterally through our science and technology cooperation agreements and through our regional environmental offices. One example of these activities is the work conducted by the Amman regional environmental office under the auspices of the Middle East Peace Process. The officer in Amman has participated in U.S.G. technical agency-led projects focussing on water data collection, water conservation practices, and

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mitigating the health effects of pesticides. Similarly, the officer in the Addis regional environmental office is intimately involved in the development of regional strategies to ensure the efficient management of the Nile River Basin.

AREAS OF FOCUS IN FY 1999 AND FY 2000

- Ozone Depletion and Climate Change

Several classes of chemicals, such as hydrofluorocarbons and chlorofluorocarbons, have been shown to deplete the ozone layer of the earth's atmosphere. Data suggest that this portion of the earth's atmosphere is responsible for protecting organisms living on the surface of the earth from the harmful effects of solar radiation. International efforts to protect the ozone layer were enacted through the 1987 Montreal Protocol. As a party to the Protocol, State represents the United States in negotiations to honor our commitments to eliminate the use of ozone depleting substances. Since many of these chemicals have important commercial benefits, State works to ensure that the phasing out of these substances occurs in an appropriate time-frame given the needs of our agricultural and pharmaceutical industries.

The anthropogenic release of "greenhouse" gasses has had a measurable effect on the composition of the Earth's atmosphere. Scientists suggest that these changes may influence the Earth's climate and lead to substantially different patterns of agricultural production throughout the world, flooding coastal communities as ocean levels rise, and increasing the frequency and severity of storms. As the world's largest emitter of greenhouse gases, the United States has a responsibility to reduce these emissions. There is a concern, however, that poorly planned action could harm economic growth and competitiveness. To safeguard against the effects of climate change while protecting U.S. economic interests, State has led the U.S.G. effort to establish an international regime to reduce greenhouse gas emissions. In the Kyoto Protocol, 38 industrialized nations -- including the United States -- agreed to limits on the production of greenhouse gasses. To reduce the cost and economic impact of meeting these targets, the United States has led the effort to develop and implement market-based mechanisms that will allow many greenhouse gas producers to reach their emission targets. Recognizing the need to have the full participation of developing countries, State is currently working to establish programs that can be used to transfer technical and financial resources to countries seeking new methods to reach their own emission targets.

- Toxic Chemicals

The synthesis and production of chemicals over the past 100 years has contributed significantly to the economic prosperity and overall well-being of countries throughout the world. Since the early 1960's, however, we have become increasingly aware of the hazardous impacts of certain classes of chemicals on human health and the environment. Particularly troubling are the organochlorine pesticides like DDT and chlordane. Also known as persistent organic pollutants, these compounds have a unique chemical

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structure that enables them to last for decades in the environment and accumulate in the fatty tissues of animals and people.

While banned in the United States, these chemicals are still used abroad and continue to be found in the fatty tissue of animals in the Alaskan Arctic, the Great Lakes, and off the California coast. Humans in such remote areas as Canada's far northern Baffin Islands carry traces of these chemicals in their bodies. Current scientific data suggest that long-term exposure to these chemicals is affecting the health and sustainability of animal species and contributing to human diseases such as cancer.

The United States has been able to address many of the risks from these and other substances at the national level, but some of these risks can be mitigated only through international action. Many developing countries do not have the resources or expertise to provide effective regulatory oversight of hazardous chemical use. At the same time, it is important to recognize that U.S. chemical exports are an economically important industry sector. Total worldwide chemical trade is near \$470 billion dollars -- 13% of which are U.S. exports.

The United States seeks to promote the sound management of chemicals and to reduce those health and environmental risks associated with chemicals that cross national boundaries either through environmental dispersion or trade. To achieve these goals, the United States will negotiate and implement a number of international agreements including:

- Regulating trade in certain unusually hazardous chemicals and pesticides;
 - Regulating trade in hazardous wastes;
 - Minimizing transboundary pollution from persistent organic pollutants;
 - Establishing and/or enhancing regional systems for addressing chemical risks in North America and the OECD, the UN Economic Commission for Europe, and the Arctic Council; and
 - Harmonizing disparate regulatory systems in the world through agreed standards for chemical classification and labeling, and by promoting OECD standards for chemical testing and good laboratory practices.
- Conservation and Sustainable Management of Terrestrial and Ocean Resources

In addition to its effects on our domestic commercial industries, the worldwide loss of living resources -- such as fish and forests -- threatens the security of our food supply and reduces our ability to maintain and create sustainable living environments outside of the United States. The wholesale destruction or pollution of ocean and terrestrial ecosystems is resulting in an unprecedented loss of complete habitats and vulnerable plant, animal and other living species. Given that more than half of the 150 most commonly prescribed pharmaceuticals in the United States contain at least one active compound derived from plants, animals or other organisms, the loss of species dramatically reduces our potential

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for finding raw supplies for new medicines, pharmaceuticals and food additives that may have substantial health and economic benefits.

To promote environmental conservation and sustainable management of living resources while safeguarding the economic, health and security concerns of the United States, State works to:

- Influence the environmental policies of foreign governments consistent with U.S.G. objectives;
- Negotiate and implement bilateral, regional and global agreements that manage resources;
- Coordinate U.S.G. interagency activities that identify and develop strategies to address threats to species or ecosystems;
- Facilitate the transfer of resources between the United States and host countries for activities that support U.S.G. interests; and.
- Involve foreign publics and NGOs.

In all cases, State strives to protect U.S. concerns by ensuring that all activities conserve and sustain our resources while protecting our economic interests.

State is currently engaged in activities that manage regional fisheries and international fishing practices, reduce land based ocean pollution, regulate the hunting and trading of endangered species, protect unique ecosystems such as coral reefs and forests, prevent desertification, maintain non-sovereign territories such as Antarctica, and promote biological diversity and the safe use of genetically modified organisms (GMOs). This last issue is particularly important to the United States

The United States is by far the single largest exporter of biotechnology products, and, by the year 2000, we anticipate that the majority of U.S. agricultural exports of staple commodities will consist of or be commingled with genetically modified exports. The value of U.S. exports that could be affected by a biosafety protocol is likely to be in the tens of billions of dollars and new market opportunities for agricultural products could be severely restricted. In early February 1999, State will be involved in a series of continuing negotiations at the Convention on Biological Diversity (CBD) to establish a biosafety protocol that regulates the transboundary movement of GMOs. Although not a party to the CBD, the United States is permitted to participate as an observer in the protocol negotiations under the negotiating mandate of the Ad Hoc Working Group addressing the GMO issue. By developing coalitions among parties to the CBD, State is working to ensure that the biosafety regime established by the protocol will be scientifically based, analytically sound, and will not adversely affect trade in beneficial biotechnology products.

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- Infectious Disease

Despite medical advances, the spread of infectious diseases continues to represent a genuine health risk to U.S. citizens and seriously undermines the national and economic security of nations around the world. Recently there has been a marked resurgence of infectious diseases, including significant outbreaks of cholera, malaria, ebola, yellow fever, HIV/AIDS, and diphtheria. Also, antibiotic resistant strains of other diseases like tuberculosis and pneumonia are emerging in countries around the globe. In fact, infectious diseases are the world's leading cause of death, killing at least 17 million people -- most of them young children -- every year.

Many factors of modern-day society contribute to the spread of infectious diseases. Advances in transportation technology have shortened the relative distance between nations and promoted the widespread trading and processing of foods, animals and other products that may spread disease. Overpopulation, urban crowding and environmental changes have also been linked to the promotion and distribution of new and old diseases. Appropriate safeguards must be in place for prevention, reporting and treatment of disease outbreaks, regardless of cause.

Enhanced global preparedness in meeting all the challenges of infectious diseases underpins U.S. national health and economic security. Confidence in our public health infrastructure to safeguard the health and safety of U.S. citizens is paramount to maintaining global trade between nations and to avoid economic disruptions which can result when disease incidence eludes appropriate reporting and treatment.

State's role in managing infectious diseases is to develop and coordinate a sustained effort to enlist support from other nations and international bodies to raise the level of priority accorded infectious diseases. State's mandate is to:

- Raise the issue of infectious diseases in bilateral, regional and multilateral discussions;
- Negotiate cooperative agreements with other nations to promote the establishment of a global surveillance and response network; and
- Work with other agencies to enhance awareness and national capacities around the world to prevent, diagnose, report, and respond to the threat of disease.

State, through its consular affairs and medical offices, also works with the Centers for Disease Control to enhance standards for panel physicians screening U.S. immigrant visa applicants, and in notification of travelers to health and safety situations which could affect travel to foreign lands.

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- Science and Technology Cooperation

Using our legislative mandate, State manages the negotiation and execution of bilateral science and technology (S&T) agreements, including, where applicable, the management of associated joint funds. These scientist-to-scientist relationships provide a framework for facilitating cooperation between the United States and a foreign partner/government at the working level. These arrangements advance science and technology while promoting relationships that further our national interests not only in science, health and environment, but in the economic and political sphere as well.

State oversees and coordinates an interagency process to identify and codify scientific collaborations that further U.S.G. goals. State chairs all bilateral and regional negotiations and formalizes the S&T agreements. These agreements serve to bring together cooperative activities under a common "umbrella"; a framework for government-to-government and agency to agency cooperation. The structure of these agreements eliminates the need to negotiate many of the terms of cooperation on a project-by-project basis since it generally provides for such elements as: 1) general principles of cooperation and 2) intellectual property rights protection.

Bilateral S&T agreements are an effective means of spreading democratic idealism by introducing transparent standards into otherwise closed societies or societies in transition. Through set agreements, some of which have existed for decades, we are building and maintaining important diplomatic tools for achieving a broad range of U.S. foreign policy goals. Most new activities and agreements, however, focus on the additional scientific value that these relationships can bring to U.S. S&T objectives. By sharing resources and technical expertise, the United States can make greater scientific gains at less cost. Recent examples include research in human brain physiology, fusion, climate change and the international space station.

- U.S. Access to Space and Oceans

From undersea cables to sea-lanes for the military, from satellite observation to global navigation, our national security and commerce depend on access to space and oceans. Space access is crucial to U.S. leadership in technologies such as the Global Positioning System (GPS) and to our understanding of global change. The oceans support freedom of navigation necessary to national security and contain a wealth of oil, gas, mineral and fishing resources that must remain within our grasp. Emerging legal frameworks to ensure access to oceans and space are highly internationalized. State leads the interagency process in protecting U.S. interests and balancing the mix of national security, foreign policy, and S&T policy issues at hand.

International space activities command intense interest in a dozen U.S.G. agencies. State leads the interagency process and carries out diplomacy in three areas:

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- negotiating frameworks for NASA and NOAA to work with other countries to develop hardware and share payload launches;
- promoting space cooperation with key space-faring nations; and
- ensuring U.S.G. access to hundreds of foreign ground stations which receive satellite data.

Increasing civilian use of the GPS, a Defense-managed technology, has spawned new opportunities and a host of thorny international issues, such as stiff competition from regional systems and older land-based systems. For U.S. industry to take advantage of this growing market, broader international acceptance of GPS technical standards is essential.

In addition to issues regarding space, State negotiates and implements bilateral, regional and global agreements that ensure that freedom of navigation on the oceans is maintained for both military and commercial purposes. These activities protect U.S. strategic and economic interests that involve the transport of commercial or military goods over the seas. One example is the UN Convention on the Law of the Sea (UNCLOS), a comprehensive code to balance competing uses of the oceans. The United States was a major force in developing the Convention. As the world's leading maritime power, with the longest coastline and most extensive Exclusive Economic Zone, the United States stands to benefit more than any other nation from the Convention and must remain an active participant in a variety of UNCLOS meetings and in determining how its provisions are applied.

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STRATEGIC GOAL: *Secure a sustainable global environment in order to protect the United States and its citizens from the effects of international environmental degradation.*

OUTCOME DESIRED: The health and environmental dangers to Americans stemming from the worldwide use of acutely hazardous chemicals are reduced in a manner that is cost effective and promotes American trade interests.

PERFORMANCE GOAL: Negotiate and implement bilateral, regional, and global agreements that manage the production, use, and commerce in certain classes of industrial chemicals, pesticides, and pollutants.

STRATEGY

The security of our water and air, the safety of our food, and ultimately the health of American citizens require the world to balance the benefits of using pesticides and chemicals against their risks. The United States seeks to promote the sound management of chemicals and to reduce those health and environmental risks associated with chemicals that cross national boundaries either through environmental dispersion or trade.



The synthesis and production of chemicals over the past 100 hundred years has contributed significantly to the economic prosperity and overall well-being of countries throughout the world. Since the early 1960's, however, we have become increasingly aware of the hazardous impacts of certain classes of chemicals on human health and the environment. Particularly troubling are the organochlorine pesticides like DDT and chlordane. Also known as persistent organic pollutants, these compounds have a unique chemical structure that enables them to last for decades in the environment and accumulate in the fatty tissues of animals and people.

While banned in the United States, these chemicals are still used abroad and continue to be found in seal tissue in the Alaskan Arctic, in Great Lakes fish, and in the blood stream of seabirds off the California coast. Humans in such remote areas as Canada's far northern Baffin Islands carry traces of these chemicals in their bodies. Current scientific data suggest that long term exposure to these chemicals is affecting the

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health and sustainability of animal species and contributing to human diseases such as cancer.

While the United States has been able to address many of the risks from these and other substances at the national level, some of these risks can be mitigated only through international action. Many developing countries do not have the resources or expertise to provide effective regulatory oversight of hazardous chemical use. At the same time, it is important to recognize world chemicals trade is an economically important industry sector. Total worldwide chemicals trade is near \$470 billion dollars -- 13% of which are U.S. exports. Therefore, the United States has a vital interest in helping to ensure that countries that produce or import these toxic chemicals use them safely, as well as finding solutions that effectively address these problems in a manner that is economically fair and efficient.

EXTERNAL FACTORS

- ✓ Specific hazardous chemicals will continue to pose a threat to human and environmental health.
- ✓ Certain hazardous chemicals will continue to cross international boundaries and appear in U.S. flora and fauna.
- ✓ Public awareness of these dangers and demands for national action will increase.
- ✓ Trade in chemicals will continue to be a major economic activity for the United States and its foreign competitors.

FY 1999-2000 AREAS OF FOCUS AND INVOLVED AGENCIES

To achieve this goal, the United States will negotiate and implement a number of international agreements including:

- Regulating trade in certain unusually hazardous chemicals and pesticides;
- Regulating trade in hazardous wastes;
- Minimizing transboundary pollution from persistent organic pollutants;
- Establishing and /or enhancing regional systems for addressing chemical risks in North America and the Organization for Economic Cooperation and Development (OECD), the UN Economic Commission for Europe, and the Arctic Council; and
- Harmonizing disparate regulatory systems in the world through agreed standards for chemical classification and labeling, and by promoting OECD standards for chemical testing and good laboratory practices.

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In cooperation with other agencies in the executive branch, State chairs interagency working groups to determine U.S. positions and policies, and heads the U.S. negotiating delegations. Typically, such Interagency Working Groups include Commerce (U.S. exports and international business), USTR (international trade concerns and World Trade Organization rules), Agriculture (pesticides, Food and Agriculture Organization concerns), Food and Drug Administration (pharmaceuticals and food additives, World Health Organization concerns), Consumer Product Safety Commission (consumer products and consumer protection), USAID (capacity building), U.S. Fisheries and Wildlife Service (safety of aquatic life), Treasury (Global Environment Facility), Justice (international environmental crimes), and other stakeholders who may have specific interests in particular agenda items (such as Defense on the use of DDT). In addition to consultations within the executive branch, State regularly consults with industry and non-governmental organization stakeholders.

INDICATORS, BASELINES, AND TARGETS

◆ **Status of a globally harmonized system (GHS) for chemical hazard classification and labeling.**

FY 1998 Baseline: Initiated about 1992, the first phase (agreement on classification criteria) remained stalled and the United States was largely isolated.

FY 1999 Target: Conclude agreement on classification criteria and begin negotiating labeling standards.

FY 2000 Target: Reach agreement on common labeling standards.

Data source: UN publication: *Common Labeling Standards*.

◆ **Status of global agreement to minimize transboundary pollution from the use and production of persistent organic pollutants (POPs).**

FY 1998 Baseline: Negotiations began in July 1998 to define the structure for the negotiation process.

FY 1999 Target: Establish criteria for including additional chemicals and a process for international action to manage POPs. Initiate programs to address emissions and releases in key countries (China, Russia, Mexico, South Africa and Brazil).

FY 2000 Target: Finalize a POPs treaty.

Data source: UN Environment Program.

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◆ **Status of the Convention on Prior Informed Consent for Certain Hazardous Chemicals (PIC).**

FY 1998 Baseline: Concluded the Treaty of Rotterdam; established bridge arrangements between voluntary and mandatory regimes.

FY 1999 Target: Complete international agreement on details and modalities remaining unresolved in the Treaty of Rotterdam. Devise a strategy to obtain advice and consent and implementing legislation.

FY 2000 Target: Implement the Treaty of Rotterdam.

Data source: Congressional Record.

◆ **Regional agreements with Europe and North America on transboundary air pollution from POPs and heavy metals.**

FY 1998 Baseline: Finished negotiating the POPs and heavy metals protocols to the Long Range Transport of Air Pollution agreement.

FY 1999 Target: Develop national strategy for implementation.

FY 2000 Target: Implement the protocols.

Data source: Congressional record or State Treaty Office files.